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Thony Belizaire/Agence France-Presse

A mother in Port-au-Prince, Haiti, fearing an invasion, pushed her son into a bus leaving for the countryside on Friday.

Clinton Dispatches Carter To Haiti as Pressure Grows

Perry Foresees End to Fighting Within Hours

Compiled by Our Staff From Dispatches

WASHINGTON — The United States is poised to use "overwhelming force" in Haiti to remove its junta leaders in a military action that could be wrapped up a few hours after it begins, Defense Secretary William J. Perry said Friday.

"The military aspect would be over in a matter of hours, at most a day or two," Mr. Perry said in a broadcast interview.

As he spoke, two aircraft carriers prepared to join a fleet of American warships already waiting in the waters off Haiti.

Although no deadline has been announced, military officials said all would be ready for an invasion by Saturday or Sunday. Mr. Perry said the U.S. forces were on high alert and "could hold that edge for some days."

Once an attack started, defense officials said, elite special forces would spearhead a nighttime invasion, followed closely by helicopter-borne soldiers and Marines, who would simultaneously strike several targets.

The officials said that navy and other highly trained special forces troops would go ashore first in the capital, Port-au-Prince, to provide intelligence and help prepare for an assault by 2,000 troops of the 82d Airborne Division now on the aircraft carrier America, who would secure the city's civilian and military airports.

At almost the same time, the officials said, up to 2,000 troops from the army's 10th Mountain Division would sweep into the capital from the aircraft carrier Eisenhower, and up to 1,800 Marines from the helicopter assault ship Wasp would likely hit the northern city of Cap-Haïtien.

That would put key communications, military, police and other targets in Port-au-Prince in U.S. hands within hours of the first assault, the officials said.

As soon as the civilian and military airports in Port-au-Prince were secured, they said, several thousand more troops from the United States would be flown into Haiti and begin moving quickly into the countryside to take control of towns and villages.

"People tend to think of Haiti in terms of Port-au-Prince," said an official, adding that only about 1.5 million of Haiti's 7 million people lived in the capital.

The officials said little major opposition was expected from Haiti's ill-trained and poorly equipped army of about 7,000 men.

They said that A-10 attack jets, slow-flying and heavily armored planes designed to suppress enemy ground fire and armor, would cover the invasion along with C-130 gunships.

The four-engine C-130s, which can fly in slow circles at night using radar and heat sensors to find and destroy ground targets with cannon and rapid-fire machine guns, were used with devastating efficiency in the U.S. invasion of Panama in 1989.

The cover aircraft would be flown out of the U.S. Navy bases at Roosevelt Roads, Puerto Rico, and Guantánamo Bay, Cuba.

"We have made pretty clear that the force used here will be overwhelming in order to protect the lives of our people and of innocent civilians in Haiti," an official said. "This will not be a small operation."

Mr. Perry conceded that there would probably be U.S. casualties, but said that the overwhelming size of the force, expected to include about 20,000 troops, was meant to minimize casualties.

"There are two reasons for using over-

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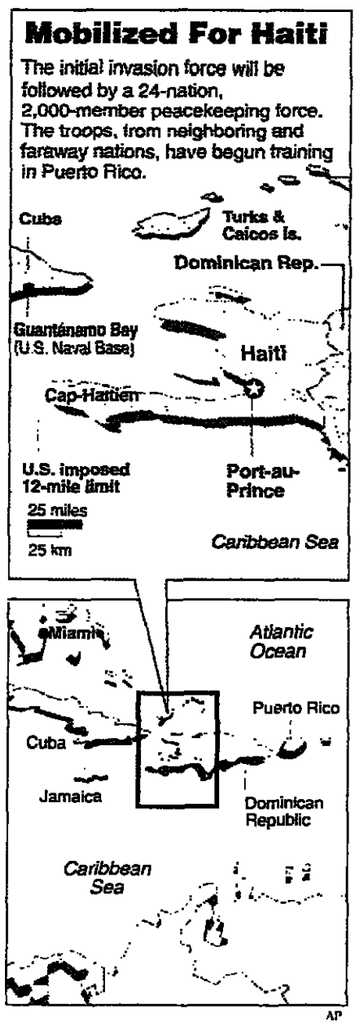

AP

Negotiators Include Nunn And Powell

Compiled by Our Staff From Dispatches

WASHINGTON — In a last-minute effort to avoid invading Haiti, President Bill Clinton is sending former President Jimmy Carter, General Colin L. Powell, retired, and Senator Sam Nunn of Georgia to Port-au-Prince to meet with the country's military rulers, administration officials announced Friday.

The initiative came as thousands of people began fleeing the Haitian capital for the countryside as American officials continued their military and political buildup for an invasion expected within days, if not hours.

A statement from Mr. Clinton's national security adviser, W. Anthony Lake, said the three men would "travel to Haiti to meet with the de facto Haitian leadership."

A White House official, who briefed reporters on condition of anonymity, said the envoys would be leaving within 24 hours. He said they would be prepared to discuss with Haitian leaders only "the means of their departure."

The makeup of the mission underscored the gravity of the situation, officials said. Mr. Nunn, a Democrat, is chairman of the Senate Armed Services Committee. General Powell was chairman of the Joint Chiefs of Staff under President George Bush.

Mr. Carter has served the administration as an envoy before, most recently going to North Korea to arrange talks over its suspected attempts to build nuclear weapons. He has made frequent informal, quasi-diplomatic trips to Africa and Latin America.

Mr. Clinton's deputy national security adviser, Samuel R. Berger, insisted earlier Friday that officials would only negotiate the departure of the Haitian officials, who are accused by the administation of widespread human rights violations.

Officials said a 24-nation multinational force would land on the island to restore democracy and install a civilian administration regardless of what the junta decided.

In Port-au-Prince, bus lines serving the main provincial cities were besieged as thousands of people began fleeing. The refugees spoke of their fear of getting caught in the fighting or in reprisals by *attachès*, gunmen used by the regime to spread terror.

Americans in Haiti were being advised to remain off the streets between 7 P.M. and 6 A.M. and to stock up on food, medicine and batteries. The U.S. Embassy estimates that at least 3,000 Americans are in Haiti, including missionaries and diplomats.

The United States was expected to invade unless the military leaders ceded power to President Jean-Bertrand Aristide, the man they overthrew on Sept. 30, 1991.

"It's a matter of days," said Secretary of

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Markets Slump on U.S. Inflation Fear

By Erik Ipsen
International Herald Tribune

LONDON — World bond and stock markets tumbled Friday, displaying their visceral fear of solid U.S. economic growth.

Industrial production surged 0.7 percent in August for the 15th straight advance, and factories were pushed to their highest limits in more than five years, both helping to fan fears of inflation.

The August increase in industrial production was the largest since March and was led by stepped-up automobile assemblies and gains in machinery, including computers, the Federal Reserve Board said.

Stocks from New York to Paris dropped on the news, and the benchmark U.S. 30-year Treasury bond price plunged 1 19/32, to 96 26/32, with the yield soaring to 7.77 percent from 7.63 percent on Thursday.

Wall Street all but shrugged off the news. The Dow Jones industrial average closed 20.53 points lower, at 3,933.35, in New York. But by that time, traders in Europe were already heading home nursing huge losses.

Paris was the biggest loser among Europe's major exchanges, with a plummet of 2.67 percent. London dropped 1.53 percent to a two-month low, and the Frankfurt market, which was closed when the U.S. report was issued, was 1.5 percent lower in post-bourse trading.

"We should all be saying that it is good that the economy is growing — good for jobs and good for company earnings," said Marcus Grubb, an equity strategist at Salomon Brothers in London.

But many investors remain convinced that anything approaching strong economic growth will set inflation afire and force the Federal Reserve Board and other central banks to brake the economy by increasing interest rates.

"There is still a great deal of unreasonable, unwarranted fear and paranoia in the market regarding inflation," said Andy Hartwill, a strategist at Paribas Capital Markets.

The most startling part of the August report for financial markets was the surge in the capacity use rate to 84.7 percent — the highest since April 1989, and a level clearly regarded as likely to fan inflation.

Analysts said that fear, plus the fact that European stocks are currently trading at higher values than U.S. shares, accounted for the odd dichotomy in market reactions to the stronger-than-expected U.S. capacity utilization numbers.

Europe's vulnerability to rising interest rates was most in evidence in France. Analysts expressed little surprise that the

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Dow Jones	Trib Index
Down 20.53	Down 0.20%
3933.35	116.30

The Dollar

New York.	Fri. close	previous close
DM	1.5445	1.5493
Pound	1.579	1.562
Yen	98.95	99.45
FF	5.281	5.2915

Cradle-to-Grave Nostalgia: Left Is Likely to Retake Power in Sweden

By William E. Schmidt
New York Times Service

HALMSTAD, Sweden — As voters in Sweden prepare to cast ballots in Sunday's election, the message from every major public opinion survey seems clear: Prime Minister Carl Bildt's tenure as the head of Sweden's first rightist coalition in decades appears to be entering its final days.

Not only has his four-party governing coalition been a casualty of Sweden's economic problems — double-digit interest rates and Europe's most crippling budget deficit — but nostalgia among voters for the salad days of the nation's cradle-to-grave welfare system is strong. Since he took power in 1991, Mr. Bildt's reformist zeal has targeted many of those benefits as a way to trim soaring government spending.

In his place, voters are almost certain to install Ingvar Carlsson, 59, a former prime minister and leader of the rival Social Democrats. They were the architects of the state welfare system that was once the envy of the world. Yet even if Sweden moves back to the left, as expected, Mr. Carlsson and his colleagues are unlikely to be the government many disgruntled voters are hoping for.

Even if they do return to power, the Social Democrats have made it clear they will continue to cut spending rather than restore programs dismantled by Mr. Bildt, 45, who set out to do in Sweden what Margaret Thatcher had done in Britain — slash government budgets and privatize government enterprises.

In recent weeks, Mr. Carlsson has been confronted by anxious financial markets, as well as a campaign by the executives of Sweden's largest public corporations warning that a return to former spending levels would risk the flight of investment capital.

The country faces economic disaster, said Peter Wallenberg, Sweden's senior industrialist, unless a "chainsaw" is taken to the debt and budget deficits.

For his part, Mr. Carlsson has promised to reduce spending by about $8 billion over the next four years

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British Pledge Referendum on Any Ulster Shift

By John Darnton
New York Times Service

LONDON — In a move meant to calm the fears of Protestants in Northern Ireland, the government promised Friday that it would hold a referendum in the province on any proposals to change its constitutional status as part of Britain.

At the same time, in a careful balancing act, Prime Minister John Major announced that he was immediately lifting a six-year-old ban that prevented the voices of representatives of Sinn Fein, the political wing of the Irish Republican Army, and of other prescribed organizations from being broadcast inside Britain.

Ending the broadcasting ban, which was largely symbolic and which many people felt backfired by generating bad publicity, was a concession to the IRA for declaring an unconditional cease-fire on Sept. 1 and sticking to it.

But Mr. Major went out of his way to say that he was still not absolutely convinced that the IRA had decided to call off violence permanently.

Insisting that his government could not "negotiate under even the possibility of threat," he said: "They have made statements which point in the right direction. We need to know from their words and their actions that this is a firm and unequivocal decision. They are nearly there."

In a third sign of easing tension, the Northern Ireland secretary of state, Sir Patrick Mayhew, who is the top British official there, ordered the reopening of 10 minor road crossings into the Irish Republic. Over 200 crossings remain closed.

In the last week, Roman Catholic republicans who favor uniting Ulster with Ire-

See ULSTER, Page 2

Rebel Gunfire Closes the Long Tea Party in Assam

By Molly Moore
Washington Post Service

DARRANG, India — In the verdant Assam tea country, planters make the rounds of their estates surrounded by armed bodyguards. They drive to Sunday tennis at the club escorted by convoys of security forces. And in the evenings, they sip pink gin on their verandas against a backdrop of sandbag bunkers and snarling Doberman pinschers.

For more than a century, India's elite tea growers lived a genteel life of white-linen dinner parties, raucous nights at the club and spontaneous picnics on the river banks.

But they have now become the targets of assassinations, kidnappings and extortion by local militant groups, who increasingly view the tea companies as the most flagrant symbols of the outsiders they contend have robbed natives of their lands and exploited their people.

"All the glamour and charm of the good old days are gone," said a planter's wife, whose meticulous garden landscaping now includes a sandbag bunker and a big guard gate. "The only thing you used to worry about were leopards. Today, people are scared to come out of their houses."

In recent years, four tea plantation owners or managers have been killed and six kidnapped, and virtually every company has been blackmailed into paying huge extortion fees to the militants.

On a brisk morning in February, as Rameswar Singh, general manager of Assam Frontier Tea Co., stepped off the porch of his bungalow, five men sprang from the nearby tea bushes and shot him to death. It was widely rumored that his company had balked at paying the extortion fees demanded by militant leaders.

"If they don't pay, someone gets bumped off," said Dhirendra N. Bezboruah, editor of the Sentinel, one of Assam's daily newspapers.

Assam, a rambling state of more than 20 million people in India's northeastern arm, which is nearly severed from the rest of the country by Nepal and Bangladesh, is considered so politically volatile by the Indian government that outsiders must get special permits to enter, and travel is limited. For decades, the state has experienced civil unrest and violent uprisings by various native groups seeking either secession from India or their own state within it.

But it has only been in the last four years that militant organizations trying to raise money to finance their arms purchases and gain national, if not international, attention have begun targeting the state's economic backbone, the tea plantations.

"We're viewed as outsiders who fatten ourselves and do nothing for the local people," said one veteran Indian tea plant-

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Newsstand Prices

Andorra	9.00 FF	Luxembourg	60 L. Fr
Antilles	11.20 FF	Morocco	12 Dh
Cameroon	1.400 CFA	Qatar	8.00 Rials
Egypt	E.P. 5000	Réunion	11.20 FF
France	9.00 FF	Saudi Arabia	9.00 R.
Gabon	960 CFA	Senegal	960 CFA
Greece	300 Dr.	Spain	200 PTAS
Italy	2,600 Lire	Tunisia	1,000 Din
Ivory Coast	1,120 CFA	Turkey	T.L. 35,000
Jordan	1 JD	U.A.E.	8.50 Dirh
Lebanon	US$ 1.50	U.S. Mil. (Eur.)	$1.10

In Virginia, a Low Race for High Office

By Maureen Dowd
New York Times Service

WASHINGTON — Decorous old Virginia has not been so atwitter since Elizabeth Taylor prowled the 1978 state Republican convention wearing a tiger-striped pants suit, wooing delegates to back the United States Senate candidacy of John W. Warner, her sixth husband (if you don't count Richard Burton twice).

This seat of American democracy has long had a reputation as a state where the dullest candidate was assured victory. No more.

"The political scene here was always so orderly, genteel and deferential," marveled Robert D. Holsworth, a political science professor at Virginia Commonwealth University in Richmond. "Now it has turned into something that resembles Wrestlemania."

Dropping out Thursday under pressure from the White House and other Democrats, L. Douglas Wilder, the former Democratic governor, provided the latest twist in the state's volatile race for the U.S. Senate. In doing so, he may have helped raise the prospects of his longtime rival, Senator Charles S. Robb, the incumbent.

Instead of deciding who has the most sterling qualifications for the Senate, voters in the home state of Washington, Jefferson, Madison and Monroe are forced to look at the contest in negative terms: Which candidate has the least objectionable moral flaws?

Democrats are offering bumper stickers that read, "I Don't Vote for Felons," and the Republicans have ones that boast, "We Believe in Marriage."

In one corner is Mr. Robb's wife, Lynda Bird Johnson Robb, accusing the Republican candidate, Oliver L. North, of trying to play God.

In the other corner is Mr. North's best friend and wife, Betsy North, who also answers to her Iran-contra code name of

See VIRGINIA, Page 8

Kiosk

Pay $5 Billion, U.S. Tells Exxon

ANCHORAGE, Alaska (AP) — A federal jury ordered Exxon Corp. on Friday to pay $5 billion in punitive damages to commercial fishermen, Alaska natives, property owners and others harmed by the 1989 Exxon Valdez oil spill. The jury also ordered the tanker's captain, Joseph Hazelwood, to pay $5,000.

Exxon has indicated that it will appeal. The 11-member jury returned the verdict after more than 12 days of deliberations.

The plaintiffs had asked for $15 billion, based on Exxon annual reports pegging the company's average yearly profits at $5 billion.

Exxon lawyers urged the jury not to award punitive damages. They said that the oil giant had learned its lesson in spending $3 billion to clean up the spill.

White House Alarm

WASHINGTON (Combined Dispatches) — Three fire trucks rushed to the White House on Friday afternoon because of a report that someone smelled smoke. But aides said there had been no fire, just a short-circuit in a light fixture. *(AP, AFP)*

Corruption, the French Way

Business Leaders See Bribery Becoming Institutionalized

By Alan Riding
New York Times Service

PARIS — The mayors of Lyon and Grenoble are under investigation for possible corruption. The former mayor of Toulon is in jail, awaiting trial on charges of taking kickbacks. The former mayor of Nice is expected to be extradited from Uruguay soon to face embezzlement charges here.

In private business, the list of top executives accused of illegal acts is no less impressive. On Sept. 7, Jean-Louis Beffa, the chairman of Saint-Gobain, a giant glass and building-materials group, became the latest big name to be indicted on bribery charges.

Before the long summer break of August, corruption had become the talk of France. Now, with the return to work, scandals old and new have revived the question of whether France can be compared to Italy, not only in entrenched corruption, but also in uncovering shady practices.

True, Italy is usually mentioned here as a way of demonstrating that corruption is far less institutionalized in France. But a poll published in Paris this month said 56 percent of top executives believed that France was ripe for an Italian-style crackdown.

The poll, carried out by Louis Harris for the business monthly Enjeux-les Echos, also found that 50 percent of top executives believed corruption had increased in France over the last 10 years. The main reason cited was the growth of regional and local governments.

Thanks to a decentralization program instituted in the early 1980s, these governments have larger budgets and new powers to grant public works contracts. Building-industry executives say competition for contracts frequently involves payment of kickbacks or illicit donations to political parties.

The Saint-Gobain case is seen as fairly typical. According to a judicial inquiry still under way, a Saint-Gobain subsidiary paid $800,000 into the Swiss bank account of a middleman, who then paid a bribe to obtain a water contract awarded by the City Council of Nantes.

What made headlines in this case was that it involved a prestigious company that has 92,000 employees and had 1993 revenues of $13 billion. But even this new scandal appeared to cause little surprise here.

Until recently, corruption seemed largely associated with illegal payments made to the campaigns of France's main political parties as well as of leading politicians. For example, such payments are behind the charges against Lyon's mayor, Michel Noir, and Grenoble's mayor, Alain Carignon, who was forced to resign as communications minister in July. (The industry minister, Gérard Longuet, is also under investigation for dubious financing of his small Republican Party.)

But only recently have top executives become the targets of investigating magistrates.

The first shock came in May when Didier Pineau-Valencienne, chairman of Groupe Schneider, an electrical products conglomerate, was arrested in Brussels on fraud charges related to the takeover of a Belgian company.

Since then, formal investigations have also been opened against Pierre Bergé, the Yves Saint Laurent head, for insider trading and against Pierre Suard, the head of Alcatel-Alsthom, for illegal use of corporate funds.

■ Lyon Mayor Is Ordered to Trial

Mr. Noir and a TF1 newscaster, Patrick Poivre d'Arvor, were ordered to stand trial on fraud charges Friday in connection with the bankruptcy of Mr. Noir's son-in-law, Pierre Botton, Agence France-Presse reported from Lyon.

Magistrate Philippe Courroye also committed Mr. Botton for trial, along with nine other people, including the mayor of Cannes, Michel Mouillot, and Charles Giscard d'Estaing, a nephew of the former president, Valéry Giscard d'Estaing.

Mr. Poivre d'Arvor will be questioned about 949,000 francs ($189,200) worth of plane and helicopter trips, meals and hotels paid for by Mr. Botton's companies.

Reinhard Krause/Reuters

HANDLE WITH CARE — Chancellor Helmut Kohl of Germany putting his glass down on a parcel Friday in Haldensleben as he arrived to formally open the distribution and logistics center of a large mail-order house.

A German Is Suspended For Remark On Africans

The Associated Press

BONN — The government on Friday suspended the leader of a population institute who had defended the right of scientists to question whether Africans were as intelligent as other people.

Charlotte Höhn was "relieved of her duties" while the government pursued disciplinary action against her, the Interior Ministry said. It was also considering whether to dissolve her Population Studies Institute as an independent agency.

Ms. Höhn's comments were published in the Berlin newspaper tageszeitung while she was attending the Cairo population conference as an official government delegate.

She has said she will sue those responsible for misrepresenting her views.

In an interview published Sept. 3, Ms. Höhn complained of taboos against population research because the field's reputation had been damaged in Germany by its association with Nazi ideology.

Ms. Höhn said there were differences in intelligence among different population groups, but scientists were not allowed to talk about them. Asked for an example of the forbidden, she said, "For example, to say that the average intelligence of Africans is lower than others."

In interviews in Cairo, she said she did not personally hold that view about Africans, but had given it as an example of views scientists should be free to express.

■ Fascists Called Resurgent

German neo-Nazi groups are reforming and making renewed attempts to set up countrywide alliances, Reuters reported a top official as saying Friday in Düsseldorf.

Herbert Schnoor, the interior minister of North-Rhine-Westphalia state, said the most dangerous of the rightist organizations was the Republican Party, led by Franz Schönhuber, a former Waffen SS officer.

WORLD BRIEFS

Austria to Join NATO 'Partnership'

VIENNA (Reuters) — Chancellor Franz Vranitzky said Friday that Austria would apply to join the NATO "Partnership for Peace" program next year, according to comments in Der Standard, the Austrian daily.

The partnership scheme, open to all states of the former Warsaw Pact and other European countries, provides for joint exercises and defense planning.

His comments reopened a debate in Austria over the country's neutral status, three weeks before a general election on Oct. 9. Mr. Vranitzky and Foreign Minister Alois Mock have insisted that joining the program and becoming an observer state of the Western European Union will not prejudice Austria's neutrality.

10 Tamils Killed in Sri Lanka Battle

COLOMBO (AP) — Security forces killed 10 Tamil rebels Friday in eastern Sri Lanka in the second major clash since the rebels agreed to unconditional peace talks, a military spokesman said.

Two soldiers also were wounded in the gun battle in Batticaloa, 220 kilometers (135 miles) east of Colombo, the spokesman said. Government troops were conducting a routine search operation when they encountered the group of heavily armed rebels. A week ago, 35 rebels and two soldiers were killed in a clash.

Last month, Sri Lanka's new socialist government promised to end the 11-year ethnic war by holding unconditional talks with the Tamil rebels, who are fighting for a homeland in the north and east.

Albania to Require Visas of Greeks

TIRANA, Albania (AP) — Greek citizens will need visas to enter Albania starting Sept. 21 under a decree issued by President Sali Berisha, state-run television reported Friday.

The announcement gave no reason for the measure, but the move followed sharp Greek criticism of the court conviction on Sept. 7 of five ethnic Greek Albanians accused of espionage and illegal possession of arms.

The guilty verdict, which entailed prison sentences of six to eight years, inflamed lingering Albanian-Greek tensions over alleged persecution of Albania's sizeable Greek minority. It led to the expulsion of tens of thousands of Albanians, most of them staying illegally in Greece, and to recent Greek curbs on travel from Albania. Athens has also blocked about $25 million in EU aid to Albania.

Moscow Sends Mediator to Abkhazia

MOSCOW (AFP) — Russia's defense minister headed for the separatist republic of Abkhazia on Friday to mediate the return of refugees who fled there during fighting last year with Georgian government troops, Russian officials said.

The mission by the minister, General Pavel S. Grachev, was ordered by President Boris N. Yeltsin. The return of the refugees, negotiated in a Moscow-brokered peace accord signed in May by Georgian and Abkhazian authorities, has suddenly stalled.

The first of the 250,000 Georgian refugees who fled Abkhazia during the fighting between August 1992 and September 1993 were due to return to the town of Gali on Wednesday, but they were stopped when armed troops appeared on the Abkhazian side of the Inguri River, which Abkhazia from Georgia.

Hanoi Minister to Meet Christopher

HANOI (Reuters) — Foreign Minister Nguyen Manh Cam said Friday that he would meet with Secretary of State Warren M. Christopher next month for talks on relations between the two countries. Mr. Cam is to head Vietnam's delegation at the United Nations General Assembly session in New York in early October.

Mr. Cam spoke to reporters after a one-hour meeting with Peter Tomsen, U.S. deputy assistant secretary of state for East Asian and Pacific affairs.

Mr. Tomsen, on a three-day visit to Hanoi, said there had been progress on the issue of U.S. servicemen missing in action since the Vietnam War but gave no details.

Free-Flying Astronaut Tests Jet Pack

HOUSTON (AP) — Mark Lee floated outside the shuttle Discovery on Friday and tested a new jet pack without a safety line in the first untethered spacewalk in a decade.

Mr. Lee unhooked his lifeline about half an hour after he and a fellow astronaut, Carl Meade, left the shuttle's crew cabin, Mr. Lee emerging first with the jet pack on the back of his bulky white spacesuit. The free-flying astronaut then fired jets on the pack to propel himself at just half a foot a second above the shuttle's open cargo bay.

The only apparent snag was in recharging the jet pack with nitrogen gas, a task that took longer than expected because a connecting hose had to be emptied. The pack's tanks were refilled several times as part of the test. The $7 million jet pack was designed as a rescue device or life preserver should future astronauts become untethered while constructing a space station. The last time space-walking astronauts unhooked their safety lines was in 1984.

Correction

The name of the Republican National Committee chairman in the United States was misspelled in the Political Notes column in Friday's issue. He is Haley Barbour.

NATO, Pressed, Is Extending Its Air Cover in Bosnia

Reuters

SARAJEVO, Bosnia-Herzegovina — NATO has agreed to extend the scope of its air cover for United Nations peacekeepers in Bosnia and is under pressure to take tougher action against Bosnian Serbs, sources said Friday.

The moves followed attacks on the northwest Muslim enclave of Bihac and increasing violations of weapons exclusion zones by Serbs opposed to an international peace plan.

The United Nations said the North Atlantic Treaty Organization had agreed to give air support to UN peacekeepers in Bihac if they were attacked again from rebel Serbian territory in neighboring Croatia.

French UN troops are deployed in the enclave where the town of Bihac has been declared a safe haven by the United Nations.

UN commanders can already call up NATO support when their men are endangered in Bosnia, but the rules of engagement have not previously included Croatia.

Bosnian and Croatian Serbian forces who surround the Bihac pocket have fought its Muslim defenders this month, although NATO has not so far been asked to intervene.

Pressure for a tougher line against the Bosnian Serbs was expected from the United States at a NATO ambassadorial meeting in Brussels, diplomats said.

NATO hawks worry that the alliance's credibility is suffering from the lack of reaction to Serbian violations of weapons exclusions zone that have increased since the peace plan was expected.

UN peacekeepers have the power to call for retaliatory NATO air strikes but have not done so for fear of inciting Bosnian Serb retaliation against their forces on the ground.

Diplomats said NATO countries were divided on how to react to the Serbian challenge.

The rift reflected wider divisions between the United States and its allies over how to deal with the Serbs rejection of the peace plan to divide Bosnia between Serbs and a federation of Muslims and Croats.

Washington will press the United Nations to lift its arms embargo on the Muslim-led Bosnian government unless the Serbs accept the plan by Oct. 15. But it has failed to gain the support of other authors of the peace plan, including Russia, Britain and France, which have threatened to withdraw their peacekeeping troops from Bosnia if the embargo is lifted.

Sarajevo, meanwhile, began the weekend without water, electricity and gas and without any definite prospect that utilities would be restored.

UN spokesmen were diplomatic in their public statements about the cause for the cuts, but UN officials in private blamed rebel Serbs. "The Serbs are squeezing Sarajevo just as they used to," a UN official said.

ULSTER: *British Pledge Referendum on Any Shift*

Continued from Page 1

land have removed barriers at certain crossings by night, and the British Army has rebuilt them next morning.

Much of the tension comes from fear on the part of Protestant unionists, who want to remain tied to Britain, that the IRA cease-fire is either a hoax or the product of a secret deal between London and the underground guerrilla organization that has been fighting for 25 years to oust the British.

For this reason, Mr. Major's commitment to hold a referendum, should the government sit down and reach an agreement with Sinn Fein and other groups, had special significance. Although referendums have been talked about in the past, the assurance on Friday was a high water mark in the government's campaign to convince the Protestant majority that it would not reach a final settlement without its approval.

"Let me say to all the people of Northern Ireland, The referendum means that it will be your choice whether to accept the outcome," he said at a news conference at Stormont Castle, the seat of British rule. "My commitment means that no one can go behind your backs — not today, not tomorrow, not at any time. You can forget this talk of secret deals."

Reaction to the measures was largely positive. Unionist politicians, who might have decried the end of the broadcasting ban, instead found themselves praising the referendum.

"It's a major step forward," said the former Belfast lord mayor, Reg Empey. "It means the ordinary people in the street will have a say. For the first time there is the possibility of the people themselves deliberating in their future."

But politicians from the more extreme Democratic Unionist Party, led by the Reverend Ian Paisley, were more guarded in their approach. The party spokesman, Sammy Wilson, said it would be important to know if the referendum commitment meant that "all changes at each stage would be put to the people of Northern Ireland."

Most public-opinion polls indicate what many politicians accept as a matter of faith: that baring some major changes in demography or outlook, a referendum held today would opt for continued union with Britain. Of Northern Ireland's 1.6 million people, about 950,000 are Protestants.

Sinn Fein greeted the widely predicted ending of the broadcasting restriction somewhat tepidly. For the first time, at 6 P.M., British radio listeners could hear the actual voice of Mitchel McLaughlin, the party's six county chairman.

In a statement, he said that while ending the ban was welcome, it "should never have been imposed in the first place."

As to the proposed referendum, he indicated opposition by saying: "Partition has clearly failed. There has to be fundamental constitutional and political change. What shape that change takes will be a matter for inclusive negotiations between all parties and both governments. No party can have a veto over the outcome or be allowed to set preconditions."

Liberians Beat Disguised Leader Of Failed Coup

Reuters

MONROVIA, Liberia — Liberian civilians on Friday captured and beat the disguised leader of a failed coup attempt and handed him over to African intervention troops.

Charles Julue, the former Armed Forces of Liberia chief, led about 100 disgruntled Armed Forces of Liberia fighters who briefly seized the country's administrative center Thursday. They were forced out in an assault by the intervention force monitoring group of the Economic Community of West African States.

Mr. Julue, hated for his brutal suppression of unrest under the former president, Samuel K. Doe, escaped a land and sea bombardment of the executive mansion and slipped through a cordon of 1,000 intervention troops, relief sources said.

But witnesses said he was recognized by civilians near the U.S. Embassy in Monrovia on Friday morning, though he was disguised in Arab robes and head-dress. Passers-by beat him and stripped him before handing him over to a patrol of intervention troops. His fighters are believed to have made their way back to their barracks, not far from the mansion that was once the seat of Liberia's presidents but now houses administrative offices.

The Armed Forces of Liberia, once Liberia's national army but now little more than a tribal militia, is divided over Liberia's latest peace treaty, signed on Monday in Ghana, although Mr. Julue's attempt to seize power was probably planned earlier.

TRAVEL UPDATE

Continental Cuts Atlantic Air Fares

LONDON (Bloomberg) — Continental Airlines said Friday that it was cutting fares across the Atlantic by more than 40 percent as part of an effort to attract business travelers. The airline said the new fares would be marketed as "corporate economy fares."

Though Continental described the move as radical, the cuts apply only to its full economy fares, which are purchased by a small percentage of fliers. Many business fliers still manage to fly on restricted fares, which are considerably lower.

Continental said a new corporate economy fare between London and New York would be £249, or $388, each way. The fares, which are subject to British government approval, will be available to at least 24 U.S. destinations, the airline said.

Only three of Taiwan's 16 airlines have passed checks of aircraft maintenance facilities, and most failed because of understaffing and a lack of equipment, according to a government report released Friday in Taipei. *(Reuters)*

Morocco has increased maximum traffic fines from $5.80 to $697 to try to reduce road accidents, L'Economiste, the Casablanca weekly, said Friday. *(Reuters)*

Tourists short of cash lined up outside currency exchange offices in Italy on Friday as a strike shut down banks nationwide. *(AP)*

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THE AMERICAS / THE OPPOSITION

Appeal by President Changes Few Minds Among Lawmakers

By Helen Dewar and Kevin Merida
Washington Post Service

WASHINGTON — President Bill Clinton's address to the nation on Haiti appears to have done little to alter the widespread opposition on Capitol Hill to his threatened invasion of the Caribbean nation.

In their initial reactions to the speech, many Democrats praised it as forceful, while Republicans denounced it as inadequate in making the case for an invasion. But legislators of both parties tended to agree that most members of Congress had already made up their minds and were unlikely to be swayed by the president's appeal on Thursday night.

Senator Christopher J. Dodd, Democrat of Connecticut, who led the fight against a Republican resolution on the Senate floor earlier this week opposing the invasion, said he believed that Mr. Clinton had "softened" opposition to his position among the American people but had probably changed few votes in Congress.

Senator Patrick J. Leahy, Democrat of Vermont, the chairman of the Senate Appropriations subcommittee on foreign operations, said: "I think the speech improved his position with Congress. Without it, it had been almost an indefensible position."

But he added that Mr. Clinton had to build on whatever gains he had made by reaching out broadly to lawmakers from both parties.

Many Republicans were as strong in their denunciation of the president's position — if not even stronger — than they had been before the speech.

"I think this policy is a disgrace, and I will do everything in my power to fight it," said the House Republican whip, Newt Gingrich of Georgia. He said he considered Mr. Clinton's comparison of Haiti's Democratic leaders with George Washington to be "disgusting."

"The president did not make a convincing case that an invasion to return Aristide to power is worth the risk of any American lives," said the Senate minority leader, Bob Dole, Republican of Kansas, in urging that Mr. Clinton "continue to search for a peaceful solution."

The address was billed in advance by many legislators as critical to Mr. Clinton on Capitol Hill, because he faces the possibility of votes in both houses early next week that are aimed at forcing him to abandon his invasion plans or, failing that, at undermining their legitimacy.

The House could be forced to vote as early as Monday afternoon on a proposal to block any invasion that is not authorized in advance by Congress.

The Senate is scheduled to resume debate Monday afternoon on rival proposals.

J. David Ake/Agence France-Presse

President Bill Clinton in the Oval Office after he addressed the nation about Haiti.

Clinton's Case: Swimming Against Tide

By R. W. Apple Jr.
New York Times Service

WASHINGTON — President Bill Clinton spoke into the teeth of a howling political gale.

As the Pentagon mobilized reserve units and U.S. warships steamed toward Haiti, the president belatedly set his full rationale for an invasion before the nation in a televised attempt to rally public support for imminent military action. But he addressed a nation of skeptics.

Mr. Clinton is one of the most skillful of modern presidents in stating his case, and he did so effectively Thursday night. Nonetheless, his speech came after months of notably unsteady policy-making on Haiti, and some wondered whether the president's underlying motive was the preservation of his own credibility after threatening action so often.

Blending elements of the Monroe Doctrine and the Truman Doctrine, Mr. Clinton argued that if Lieutenant General Raoul Cédras refuses to yield power, the United States would have no choice but to invade to "protect its interests — to stop the brutal atrocities that threaten tens of thousands of Haitians; to secure our borders and preserve stability in our hemisphere, and to promote democracy and uphold the reliability of our commitment around the world."

In fact, most Americans doubt that Haiti is a real test case of their national resolve. The questions spring readily to people's lips: Why invade Haiti in an effort to implant democracy in soil where it has never flourished, any more than invade Cuba in an attempt to cultivate democracy there?

More may be swayed by Mr. Clinton's blunt appeal to economic self-interest and fears of uncontrolled immigration.

Unless the United States acts, he said, the 300,000 Haitians now in hiding "will be the next wave of refugees at our door," with attendant high costs.

NEWS ANALYSIS

But there is a certain grim spirit within the administration, as if it has set itself upon a course that it does not know how to abandon, however perilous the waters ahead look.

Many Democrats who are seeking reelection this fall have called the White House this week to say that an invasion would further damage already slim chances.

Three Democratic senators said in floor speeches this week that they thought Mr. Clinton was making a big mistake. The three — Paul Sarbanes of Maryland, Jim Sasser of Tennessee and Sam Nunn of Georgia — represent the liberal, mainstream and conservative strains in their party, and all suggested that Mr. Clinton had failed to convince the nation of the need to invade.

Leon E. Panetta, the White House chief of staff, has sought to calm their fears and those of other Democrats by telling them that once combat is joined the nation will rally behind the president. That is no doubt true.

It has happened again and again in recent years, notably during the war in the Gulf in 1991.

But as Defense Secretary Dick Cheney conceded at the time, a more prolonged conflict or heavy American casualties, which never materialized, would probably have seriously weakened public support.

That happened in Somalia, when televised pictures of a dead American soldier being dragged through the streets of Mogadishu at the end of a rope brought a national outcry.

Former Vice President Dan Quayle and a few other Republicans have suggested that the White House is hoping to get a bounce in the polls if the invasion is a success. That seems unlikely, because the administration's strategists have seen too much evidence to the contrary in the recent past.

And besides, as Representative Porter Johnston Goss, Republican of Florida, remarked acidly, "You can't really claim a great national victory by saying we overcame that vicious foreign enemy, the Haitian Army."

Betrayed by a Fellow Resister?

Vietnam War Objectors Plan Protests on Haiti

By William Claiborne
Washington Post Service

WASHINGTON — President Bill Clinton's allies in the Vietnam-era anti-war movement, saying they feel betrayed by the onetime peace marcher and draft resister, are preparing demonstrations against a United States military invasion of Haiti.

Despite their desire to see the democratically elected government of the deposed president, the Reverend Jean-Bertrand Aristide, installed in Haiti, the anti-war activists said they would schedule vigils, marches and other protests because the same principles that guided their — and Mr. Clinton's — opposition to the Vietnam War applied in Haiti.

"President Clinton and I grew up in the same political climate, learning the lessons of government abuse of power in Vietnam," said Leslie Withers, acting director of the Atlanta-based anti-war group Clergy and Laity Concerned. "I am very disappointed that Clinton hasn't seemed to learn that lesson.

"The Vietnam War was not a simple one-time error," she said. "It was an opportunity to think about the United States' power and how that power is used. He should still be thinking about that."

The anti-war group leader said the 35 chapters of the group, which during the Vietnam era was known as Clergy and Laymen Concerned About Vietnam, planned prayer vigils, demonstrations and letter-writing campaigns before the expected invasion and for the Sept. 30 anniversary of the military coup that deposed Father Aristide if the invasion had not been launched by then.

Ruth Benn, of the New York-based War Resisters League, said that the group planned a demonstration in Times Square the day of the invasion and that leaders would meet Saturday to schedule other protests.

"Obviously, what Clinton is doing is totally politically motivated," she said. "Many of us were always hoping that maybe a president of my generation would act differently, but we always kept a certain amount of skepticism open."

She and other peace activists said they favored tighter economic sanctions and other nonviolent measures to remove Haiti's military dictators.

The league's leader said veterans of the anti-war movement of the late 1960s and early 1970s had begun to lose faith in Mr. Clinton before an invasion of Haiti appeared inevitable.

"He always seemed to be bending over backward to appease those who criticized him for his resistance to the draft," she said.

Mr. Clinton's efforts to avoid the draft during the Vietnam War and his participation in peace demonstrations while attending Oxford University in England were persistent issues during his 1992 presidential campaign.

James Matlack, Washington director of the American Friends Service Committee, said, "The notion of sending a military force with the potential for hostilities to oust a bunch of thugs is not something that we can approve."

POLITICAL NOTES

Health Care: States Take Over

WASHINGTON — Efforts by the states to provide health care and health insurance for their residents have taken on new importance now that the most ambitious federal plans to remake the nation's health-care system have fizzled.

The states have been a source of innovation in health policy for nearly a decade. While their interest in the issue never waned, some held back this year, waiting for Congress to define a standard package of health benefits that would be guaranteed to all Americans under federal law.

"The failure of federal health-care reform will place new pressures on states because the problems are not going away," said Ronald M. Hollander, executive vice president of the Massachusetts Hospital Association. "We still have the problems of the uninsured and rising health costs."

Indeed, many state officials suspected all along that they could not count on Washington to solve their problems, and moved ahead on their own with innovations that are just now paying dividends.

California, Florida and Texas, for instance, have enrolled thousands of people in health insurance alliances that pool the purchasing power of small businesses, enabling them to get coverage at prices far lower than what they would otherwise pay.

President Bill Clinton and Congress are still bickering over the details and merits of such alliances, but more than 20 states have begun experimenting with them. *(NYT)*

Christian Coalition Rebounds

WASHINGTON — The Christian Coalition opened its two-day national conference having rebounded from accusations that it fatally wounded the presidential campaign of George Bush, and now it is operating in a political climate highly receptive to explicitly moral messages.

"They are the most enthusiastic part of the party right now, out in the hustings and getting people out to vote," said Michael Dubke, executive director of the Ripon Society, a lonely bastion of moderate Republicanism. In those states where control of the Republican Party is governed by open rules and regulations, "religious activists are beating the pants off other people."

But, Mr. Dubke argued, citing the loss on Tuesday in the Minnesota Republican primary of a gubernatorial candidate backed by the religious right, "They can win at conventions, as we have seen in Virginia and Minnesota, but the Christian Coalition has difficulty winning those elections."

Evidence that the public has become more concerned about the moral values long cited by the Christian Coalition came most recently from a Peter D. Hart Research poll issued by People for the American Way, the organization that has led the fight against the Christian right.

The poll showed that 51 percent of the electorate agreed that the most serious social problems "stem mainly from a decline in moral values," as opposed to 34 percent agreeing that they "stem mainly from economic and financial pressures on the family." *(WP)*

Quote / Unquote

Former President George Bush on the Haiti crisis: "If one soldier goes ashore — and I hope they don't — I would immediately do what all Americans will do and that is to support our forces and support our president." *(AP)*

Pentagon Plans 'Danger' Pay for Invading Force

Reuters

WASHINGTON — The Defense Department is preparing to provide $150 a month in "imminent danger" combat pay and hazardous duty pay to troops that take part in any invasion of Haiti.

Imminent danger pay is a flat $150 a month to all ranks who qualify for being sent into harm's way in combat areas, a Pentagon official said.

Hazardous duty pay is for dangerous work such as loading bombs, and it varies according to danger and the job at hand, the official said.

Away From Politics

- **A man convicted of shooting a woman to death** during a half-million-dollar holdup of a jewelry store five years ago was executed by lethal injection in Huntsville, Texas, authorities said. Jessie Gutierrez's last words: "I just love everybody. That's it."
- **A judge in Florida refused to dismiss** federal charges against an anti-abortion extremist accused of killing an abortion doctor and his escort. Paul Hill's lawyer claimed Congress lacked authority to pass the Freedom of Access to Clinic Entrances Act because abortion violence cannot be considered interstate commerce. The judge disagreed.
- **Los Angeles teachers overwhelmingly approved a contract** and avoided a strike, but warned that their salary demands would continue. Teachers took a 10-percent pay cut in 1992 to help the district balance its budget.
- **A federal judge struck down parts of Pennsylvania's abortion law,** saying poor women seeking taxpayer-funded abortion should not have to provide police reports proving they were rape or incest victims. The judge also ruled that the state cannot require that two doctors certify an abortion is necessary to save a woman's life before it can be paid for with federal funds.
- **A deputy sheriff, who had just killed his wife** in Alexandria, Louisiana, agonized with a priest for two and a half hours, then put the muzzle of his .45 to his head and killed himself as a television station broadcast it live. *(AP, AFP)*

OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

An Illegitimate Mission

President Bill Clinton is preparing to send American troops to Haiti to end human rights abuses, secure U.S. borders and uphold Washington's credibility. His address from the Oval Office on Thursday night was designed as an attempt to convince Americans that the nation has a legitimate national interest in Haiti worth the risking of American lives. Indeed, Haiti does raise troubling concerns. But concerns and security interests are not the same thing, no matter how hard a president argues. The fact remains that a Haiti invasion is a mission the country does not believe in, Congress has not approved and Mr. Clinton himself tried to avoid.

The military victory, if it can be called that, will come quickly and perhaps not too messily in the first days. But as time drags on, this diplomacy by intrusion will feed domestic divisiveness, set an unhealthy foreign policy precedent and possibly compromise the cause the administration means to advance: Haiti's democratic development.

Mr. Clinton apparently calculates that he can rally public and congressional support after an invasion. Perhaps he can. But that support would be perilously thin for a commitment that is likely, given the gory history of Haiti, to go on for years with a constant risk of clashes.

Even if the initial, mainly U.S., invasion force ousts the military leadership, restores President Jean-Bertrand Aristide and re-establishes order as quickly as Mr. Clinton expects, it will have to be replaced by a longer-term international force with a substantial U.S. component.

The weakness of Haiti's economy, the gap between its peasants and its oligarchical ruling class and the deeply imbedded corruption of its army all argue that visiting reformers cannot breeze out easily.

Mr. Clinton rightly characterized the Haitian regime as the hemisphere's most horrific human rights violator. But the administration has long tolerated even grimmer human rights violations in Bosnia. If the difference is that Haiti is "in our back yard," so is Cuba. Arguments of this nature mark a disturbing return to the old U.S. pattern of treating Western Hemisphere neighbors as something less than sovereign states.

The United States does have an interest in defending democracy and human rights in this hemisphere and beyond. But that confers no right or duty to invade countries whose governments have been overthrown and replaced by ones Washington does not like. Last time it was Grenada. This time it is Haiti. What about next time? Would those now urging action against the Haitian junta support the same principle if it were applied somewhere else?

No U.S. interests are at stake in Haiti that would justify risking lives, and no urgency exists that could justify short-circuiting congressional approval and ignoring public opinion.

— THE NEW YORK TIMES.

Poland Shows the Way

Poland has lifted a great burden from its economy with the debt relief agreement that it has negotiated with the Western banks. It owed them $14 billion, casting a heavy shadow over all its financial relationships as it worked to rebuild the country. This deal with the banks will reduce Poland's obligations to them by half, in turn greatly helping the Poles attract the foreign investment they need. Poland is emerging as the most successful of the East European economies and an important example to the region.

These bank debts are an inheritance from a bad time: the 1970s, when the Communist regime was desperately borrowing abroad in an effort to raise the standard of living and dispel an air of failure that was beginning to be pervasive. Five years ago, elected leadership began the arduous work of structural reform, and successive governments have pursued it with great consistency. That has not been easy.

But they have stuck with the reforms, and the results are increasingly visible. The economy is now expanding at 4 percent to 5 percent a year, faster than any of the others east of what used to be the Iron Curtain, and Polish factories are exporting profitably to Western markets. The contrast with Poland's neighbors to the east is sharp and instructive.

Ukraine has yet to begin the fundamental reforms that Poland first undertook in 1989. As a result, Ukraine's economy continues to spiral dismally downward, and the evidence of distress is accumulating. Russia has apparently ended its long decline, but it is not yet clear that a recovery has begun. Poland passed through the trough of the curve nearly three years ago, around the end of 1991.

For many of its people, Poland is not yet a comfortable place to live. Inflation and unemployment are both high, although they are at least not rising. Some miss the stodgy security of the Communist social system. Living standards are around one-fourth the level in Western Germany or France — not high even by East European standards. But there is a sense of momentum and of being on the right track. The Poles are demonstrating that hard work, courage and good policy can transform a severely damaged economy into one capable of vigorous growth.

— THE WASHINGTON POST.

And the Fans? Yer Out!

So much for the baseball season in which Matt Williams and Frank Thomas could have hit 62 homers, Tony Gwynn could have batted .400 and Cal Ripken Jr. could have moved within sight of one of the game's most sacrosanct records, for consecutive games played. For the first time in 90 years, there will be no World Series. The owners have called it off because of a player strike triggered by their own intention to impose a salary ceiling. Bud Selig, owner of the Milwaukee Brewers and the game's commissioner by default since it pushed out the last real one, says baseball has long-term problems that had to be dealt with now, and sorry about the Series.

They're long-term indeed. For the better part of this century, a ballplayer worked under a system that tied him to one club, which paid as little as it could get away with until it had no further use for him. With free agency, starting in the 1970s, the players were suddenly able to bargain with the owners for big salaries. Since then the game has seen an era of high pay, surprisingly intense competition and soaring attendance.

For most people, this would not be a problem, but for Mr. Selig and a number of his colleagues in the "small markets" (they're a minority of the owners, but enough to block any settlement with the players) there are constant worries about keeping up with the more prosperous teams (in New York, Los Angeles, Chicago, Baltimore and elsewhere) in the bidding for player talent. They want the big boys to share their revenues with them; the big boys, in return, want future salaries limited to 50 percent of revenues.

The players, with their $1.2 million average salary, are always an easy target for the fans, many of whom once played a little second-base themselves and don't see why somebody should get $2 million for doing it. Their union chief is no sweetheart either. The other day, though, we came across a long list of the highest paid entertainers in America — it included such worthies as Roseanne Arnold, Oprah Winfrey and Michael Jackson — and noted that even the least of them made a great deal more last year than a Ripken or a Bobby Bonds. Whether they were more diligent or talented than the ballplayers doesn't matter much; people in both categories get about what they're worth to those who employ and promote them.

The players could probably make some concessions here and there, but on the issue of limiting the salary pot they're not likely to yield, especially given the fact of a century of distrust between them and management. This is the oddest of labor disputes: The "workers" are on the side of growth, change and risk-taking, while the owners seek a static situation. Mr. Selig is cast in the role of Commissioner Canute, commanding the economic tides to reverse themselves and please let Milwaukee, San Diego, Pittsburgh and the other cities that cannot quite support teams keep them anyway.

It really is time for Congress to consider doing away with baseball's antitrust exemption, as President Bill Clinton suggested on Wednesday — and not just in the area of labor relations, either. The other pro sports are doing fine without such an exemption; the main effect of removing it for baseball would be to allow more movement of franchises and break the hold of the major leagues on the minors, many of which are booming these days and could, perhaps, take new and exciting forms in a freer climate. The game's executives are given to dire warnings about doing this; they warn that it would be the end of baseball as we have known it. Gee, does that mean we wouldn't have a World Series?

— THE WASHINGTON POST.

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Here Goes the Haitian Adventure, but Then What?

By George F. Will

WASHINGTON — Critics of President Bill Clinton's liberal imperialism — the colonialism of compassion — miss the point when they say Haiti involves no vital U.S. interest. The pristine absence of anything as coarse as a vital U.S. interest is what recommends this adventure to its enthusiasts. Just as in domestic policy the proof of liberal virtue is generosity with other peoples' money, the proof in foreign policy is willingness to spend the nation's blood, treasure and prestige for abstractions rather than concrete national gain.

There is a similar aspect to Mr. Clinton's simultaneous solicitousness toward the United Nations and his disregard of a Democratic-controlled Congress, and the constitution. Madeleine Albright, U.S. ambassador to the United Nations, breezily dismissed any constitutional obligation to consult Congress before invading Haiti, saying this was a "police action," not an act of war. James Madison did not anticipate such labeling of a full-scale premeditated assault on a nation with which America is at peace and which poses no threat to the United States.

Mrs. Albright evidently regards the English language the way Mr. Clinton regards the health care system: as properly government property. But her semantic sleight-of-hand is too intellectually feeble to be as dangerous as Secretary of State Warren Christopher's notion that Congress is implicit in any coming invasion because Congress has not acted to stop it. The idea is that congressional approval for any presidential use of military force can be inferred from the absence of congressional action to prevent it. The implication — that no president is obligated to respect any constitutional restraint, only a leash imposed by Congress for each particular occasion — is, in a word, Nixonian.

Reasons so far offered for an invasion include:

The United States must invade because it said it would.

U.S. credibility (with North Korea; or something) is at stake.

President Clinton's credibility is at stake.

The United Nations' credibility is at stake.

America (this from "Blame America First Democrats") is to blame for Haiti's condition (because America trained the Haitian military; or something).

America is duty-bound to do all it can for democracy everywhere (or in this hemisphere, or at least "in our back yard").

Terrible things are happening in Haiti and the United States must stop terrible things "in our own back yard." (The south Bronx is another matter.)

And so on.

A proliferation of rationalizations for a government action often betokens reticence about the real reason. Accordingly, consider the words of Representative Charles Rangel, Democrat of New York and a leader of the Congressional Black Caucus, spoken angrily on CNN's "Crossfire" this past week: "And of course when you say, 'Is this little black president (the Reverend Jean-Bertrand Aristide) worth the loss of one American white life?' the (answer) — hey, it has to be no."

Domestic racial politics has spilled over into Haitian policy. It is impossible to prove, but plausible: There would be no movement toward invasion if there were no Black Caucus, or if the caucus shared the priorities of the vast majority of black Americans.

Perhaps planners of the invasion have adequately considered all the "then what?" questions. When Japanese leaders asked Admiral Isoroku Yamamoto if he could conduct an attack on Pearl Harbor, he said: With shallow-running torpedoes, and luck, yes. And I will run wild in the Pacific for perhaps a year. But then what?

After U.S. forces have subdued their adversaries in Haiti, then what?

What if General Raoul Cédras and his henchmen step across the border into the Dominican Republic, from there to foment such trouble as Haiti does not spontaneously generate? What if refugees in flight from Haitian score-settling anarchy destabilize the Dominican Republic? (The administration that produced the Clinton health care bill obviously is not impressed by the problem of the unintended consequences of government actions, but still . . .)

What if efforts to prevent the assassination of President Aristide (surely prevention becomes America's responsibility) fail? If he survives until the next election, is the United States, having committed itself to the "restoration of democracy," responsible for guaranteeing electoral proprieties?

These interesting questions arise at a propitious moment. The collapse of Mr. Clinton's health care overreaching coincides with his fling at colonialism, and both come eight weeks before elections. Do Americans want government hubris in domestic policy, and overreaching ("nation-building") combined with obeisance to the United Nations in foreign policy? Let's put it to a vote on Nov. 8.

Washington Post Writers Group.

Does Clinton Mean to Turn His Back on the Promise of Asylum?

By A. M. Rosenthal

NEW YORK — Three years after World War II, most governments of the world had realized that the issues of refugees and asylum were critical to the safety of nations, the purposes of the war and to what had come to be called human rights.

In Europe camps were still filled with persons "displaced" by German devastation or fear of falling into the hands of the Soviet Army. In Asia millions of Hindus and Muslims were killing and being killed crossing through India and Pakistan, sliced apart by partition.

On Dec. 10, 1948, the 56 members of the United Nations met in the Queens borough of New York, shivering in a mangy former skating rink while the organization hunted frantically for a permanent U.S. headquarters.

In those days, presidents and kings picked important fruit to represent them at the UN General Assembly. Secretary of State George Marshall headed the U.S. delegation; near him was John Foster Dulles. The delegate who spoke to the issue was Mrs. Franklin D. Roosevelt.

Stalin sent Andrei Vyshinsky, his personal people-scythe. Jawaharlal Nehru sent his sister, Vijaya Lakshmi Pandit, graceful as bamboo, twice as strong.

The document before them was the Universal Declaration of Human Rights. All who voted for it said that to violate it would forever be like violating the UN Charter.

After Article 13 was passed, declaring everyone's right to leave his country at will, Article 14 was approved: "Everyone has the right to seek and enjoy in other countries asylum from persecution."

The article excepted those who committed nonpolitical crimes. For the overall declaration all members voted aye except eight abstainers — the Soviet bloc and South Africa.

For the United States, it was not a problem. Separated from refugees by oceans and disinterest, Washington scanned the lists, reaching in for a few with world-class achievements in physics.

Later, U.S. administrations did show attention, political and compassionate. They gave asylum to Soviet Jews, other Soviet dissidents and some allies from South Vietnam.

But asylum was still something remote. We never really understood that most asylum-seekers could not show up equipped with passports, visas or affidavits by the police back home that said yes, they were indeed persecuting the refugees.

The president is no xenophobe, but he has a problem about refugees.

Annoying, paperless people like that still arrive from far away. Inscrutable Chinese prefer sickening for months, even dying, in filthy cargo boats to staying home having fun in the new Chinese Communist wonderland. Instead of using them as TV commercials for America, we slam them into jail.

And now, drenched, starving Caribbean refugees impolitely try to leap into America's own sunny neighborhoods — right where Americans once loved to conga around carrying signs saying: "Love you, Latin neighbor."

Fidel Castro taught us that over there is now over here. America stood straight: Cubans who could get here were taken in. Look around: Cuban refugees, like so many others, not only got jobs but created others.

But now there is a growing American antagonism toward immigrants, including refugees: hordes of them will take our jobs. Refugees, of specified colors, always are counted by the horde. Mr. Clinton played into that. He is no xenophobe or racist. But he has a problem about refugees, as about some other human rights matters: constancy deficiency.

This trait made for the weird performance in the Caribbean. When Castro tested him by letting Cubans set out in rafts, Mr. Clinton "forced" the Cuban leader to keep them home — thus giving Fidel a terrific chuckle and simultaneously tearing up Articles 13 and 14.

On Haitian refugees, one day Mr. Clinton said let them in, the next sent orders to pick them up, send them back, or to Panama, or Guantánamo, just away.

If Mr. Clinton had remained constant on refugees, the Haitian "generals" might have believed long ago that when he said something he meant that specific something. And with a better Clinton constancy record more Americans might understand that he has a good case for invasion as a last resort.

But no protests grip America about Washington's strange fear and minginess toward "boat people." Articles 13 and 14 are replaced by that grand old slogan: Pull up the gangplank, Jack, I'm aboard. Is that the signal flag the president wants America to fly on his tour?

The New York Times.

Behold the Democrats Waving the Republicans' Budget Banner

By Robert Kuttner

WASHINGTON — The other day, Senator Charles Robb of Virginia, pressed by his three challengers during a televised debate to explain what he would do about the federal deficit, blurted out these epic words. "I would take food from the mouths of widows and orphans, if necessary, to begin to solve the problem of the deficit."

One of Mr. Robb's rivals, former Governor Douglas Wilder, who is running as an independent, termed it "a stupid line." Mr. Robb's main Republican challenger, Oliver North, responded by organizing "Widows and Orphans for North."

If the gaffe by Mr. Robb just reflected a harried candidate momentarily losing his judgment under pressure, it would be bad enough. But his hapless statement is just the logical conclusion of Democrats trying to play a Republican game: literally proposing to starve widows and orphans in order to demonstrate fiscal rectitude to satisfy bond traders.

Unfortunately, a more subtle version of this myopia afflicts not just Mr. Robb, but much of the Democratic Party. In Congress, dozens of Democrats have embraced budget-balance fever, to the exclusion of themes that have traditionally rallied voters.

At the White House, Alice Rivlin, director of the Office of Management and Budget, is pushing President Clinton to press for deeper budget cuts. The White House staff is also divided on whether to revive the idea of a middle-class tax cut, a proposal said to have the sympathy of Mr. Clinton's chief of staff, Leon Panetta.

This green-eyeshade, bond-trader mentality is both unnecessary and self-defeating. It is unnecessary because the federal deficit crisis is effectively over.

According to the latest calculations by the Congressional Budget Office, the deficit is now just 2.3 percent of total national output. It is lower than any of George Bush's or Ronald Reagan's deficits, in fact the lowest ratio since the late 1970s.

The national debt, relative to the gross domestic product, is projected to be virtually flat for the next three years, at about 51 percent of one year's gross domestic product. That is half the debt-to-GDP ratio of the late 1940s. The debt ratio may rise very slightly beginning in 1998, but if the growth rate improves even a bit the ratio will remain steady or fall.

Politically, embracing greater fiscal conservatism also deprives the Democrats of the one thing that differentiates them from Republicans: the wise use of the public sector to give economic help to ordinary people. Deeper budget cuts, or a token middle-class tax cut, would deprive the budget of the last remaining discretionary funds available for badly needed public programs.

For example, the Federal Reserve Board takes the position that unemployment cannot be allowed to go below 6 percent because shortages of qualified workers would generate inflationary wage hikes. If America cannot cut unemployment below 6 percent, it will not get economic growth above 3 percent. And if that persists, living standards will continue to stagnate for most people.

One obvious remedy is job training. If there were more qualified workers, America could have a lower rate of joblessness without the threat of (real or imagined) inflation. But a billion-dollar youth jobs program was excised from the crime bill as "pork." And what is left of the administration's education and training initiatives would be flattened if Mr. Clinton took the advice to ax the deficit and hand out tax cuts.

On Sept. 27, the Republican leader in the House, Newt Gingrich, will lead a huge rally at the Capitol, featuring more than 100 Republican challengers to incumbent House Democrats. A key theme will be Republican fiscal demands: a constitutional amendment to require balancing the federal budget, more deficit reduction, tax cuts.

President Clinton should resist the counsels urging him to pander to these demands. There is no way for Democrats to beat Republicans at this game; if Mr. Clinton offers a small tax cut, Republicans will just demand a bigger one. If he offers a bit more deficit reduction, Republicans will simply insist on greater deficit reduction.

And the voters, who are not fools, will notice who is setting the agenda. Instead of emulating the Republican game, the Democrats need to offer a different game plan of their own — or else why bother to have a second party?

Offering a more timid version of the other party's themes is the most lame game of all. Harry Truman said it best: When the voters are faced with a choice between a Republican and a Republican, they'll vote for the Republican every time.

The Washington Post.

China's Reformist Road Looks Safe From a Soviet-Style Breakup

By Lyman Miller

WASHINGTON — Current opinion on China has an end-of-an-era tone, a sense of coming dynastic change. Deng Xiaoping has turned 90. In recent years, as Mr. Deng has retired from his official posts, China-watchers have maintained a death watch, expecting his imminent demise to set in motion political transition and perhaps disorder.

Some expect the sort of vicious factional conflict over succession that is typical of communist states, leading quickly this time to the collapse of the Communist Party. In its place, some see the outbreak of democracy, others the imposition of military authoritarianism in the name of maintaining order. For yet others, there is a prospect of the breakup of China, following the example of the Soviet Union.

This is probably a mistake. China is different from the Soviet Union, and our view of it should not be colored too much by what happened there. Remember, it was only a few years ago that China was seen not as the repressive, reactionary communist political fossil it seems today but rather as the front-running reformist communist state. It seemed at least possible that China might succeed in building a new, market-driven economy out of its failing Stalinist planning system. China, not the Soviet Union and Eastern Europe, seemed ripe for liberalizing evolution, perhaps even revolution.

This overnight shift in perspective suggests caution against extreme predictions. For the foreseeable future, the continuities in China before and after 1989 and Tiananmen may turn out to be as important as the undeniably impressive changes.

One of the key continuities is communist political leadership. The leadership, headed by Mr. Deng, was the critical ingredient in the changes in China after 1978. It remains an important engine of change today.

There are several reasons to suspect that China's present party leadership, headed by party chief Jiang Zemin, will prevail in a post-Deng era. First, it has pursued an aggressive program of economic reform despite significant risk to social and political stability. The economic boom in China is often associated with Mr. Deng's tour of South China in early 1992, but it draws on a surge of reform that began in 1990, when party conservatives were forced to acknowledge that their policies had led the economy into a severe downturn.

Since then, resurgent party reformers have steadily pressed ahead, placing on the agenda key institutional changes. These include banking and fiscal reform, revamping China's foreign trade system to conform to international standards, and corporatizing the money-losing state enterprise system. They were ratified at the highest party levels last October. Their endorsement shows that the party leadership is not paralyzed and without a clear sense of policy direction.

Second, the resurgence of economic reform over the past four years suggests an unusual degree of leadership consensus. This impression is borne out by a close analysis of the political predilections of the seven-member Politburo Standing Committee, China's most powerful political body. Six of the seven are reformist in orientation; the seventh — Prime Minister Li Peng — has conservative credentials but since the fall of 1991 has been working hard to sound like an activist reformer.

There are undoubtedly divisions and conflicts among these men, but to an unusual degree they have not crept into public view. Instead, public leadership activities show a rigorous effort to project a clear division of labor and observance of routine.

Third, with the exception of Mr. Deng, the party elders whose disagreements dominated politics in the 1980s are a declining force. Death has already thinned their ranks. Four of the eight key elders died in the past two years, all from the conservative wing. The remaining elders are rarely heard on any issue. The key elder, of course, remains Mr. Deng. Attention in China's media to his rare public appearances and views seems orchestrated to reinforce present reform policies and to spotlight the roles of front-line leaders in preparation for his passing.

Last, the central leadership has not lost the means to control the provinces. Assertions of provincial autonomy, in which the provinces ignore Beijing and go their own way, rest on economic trends and are exaggerated.

In short, China's present top leaders comprise an activist leadership that is not weak, fragmented and waiting passively for Mr. Deng's passing or its own demise. The communist regime indeed faces daunting problems of transforming China's economic system and governing a rapidly changing society. These tasks entail unpredictable challenges that may well overturn the regime in the end. But leadership paralysis, inflexibility, passivity and divisiveness are not likely to contribute to that outcome if present trends continue.

The writer is a professor of China studies at the Paul H. Nitze School of Advanced International Studies at Johns Hopkins University. He contributed this comment to The Washington Post.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1894: Invasion Fears

SHANGHAI — News has reached Tientsin that a few days ago a fleet of twenty-one Japanese transports sailed for some destination at present unknown. There were about 10,000 troops on board. So large a force, it is feared, can only be intended for landing on the Chinese coast. Urgent exhortations to watchfulness have therefore been sent to all the ports and Admiral Ting, whose fleet is now a very formidable one, has started south to meet the enemy. The invasion scare, however, has become chronic with the Chinese.

1919: A World Vision

NEW YORK — In both his addresses at Portland, President Woodrow Wilson declared that he intended to see the League of Nations through "whatever evil resists." He asserted that his opponents were either lacking in knowledge and imagination or "just plain quitters." The fortunes of the United States, he insisted, were now tied up with those of the rest of the world.

1944: Soviets in Sofia

LONDON — [From our New York edition:] Red Army troops yesterday [Sept. 16] rolled through the capitulated Bulgarian capital of Sofia in their drive toward Yugoslavia, only thirty miles beyond, while other Soviet forces shelled burning Warsaw and began laying pontoon assault bridges across the Vistula River from the captured suburban area of Praga. A communique from General Por, Polish underground leader at Warsaw, said his units had frustrated German efforts to establish strong points on the Vistula's western banks with which to meet the Soviet onslaught.

American Rebukes North Koreans for Reactor Demands

Reuters

SEOUL — The senior United States envoy dealing with North Korea in a dispute over that country's nuclear program derided on Friday Pyongyang's attempt to dictate the terms of an agreement under which it would acquire safer reactors.

"It is ludicrous for the DPRK to suggest they will decide the architecture of the reactor and that the U.S. will pay," Assistant Secretary of State Robert L. Gallucci said, referring to the Democratic People's Republic of Korea. He was speaking at a news conference at the end of a three-day visit to South Korea.

"It's almost too much to take seriously," he added. "I don't take it seriously."

North Korea agreed last month in talks with the United States to convert from graphite-moderated reactors, which produce plutonium that can be used for nuclear weapons, to light-water technology, which produces very little plutonium.

On Thursday, the North said after expert-level talks with the United States in Berlin that it should have the right to select the type of light-water reactor. It has said it is interested in technology from Russia or the German company Siemens.

Mr. Gallucci said the United States, Japan and South Korea had agreed that "the only viable project concept that we can identify is one in which South Korea will play a central role in the construction and financing."

He added: "We therefore consider the project to consist of two 1,000-megawatt reactors of a design like that of those reactors currently under construction in South Korea."

He said it was the role of the United States to pick the type of reactor and arrange the process of transition to light-water technology.

"The role of the DPRK is to take the steps we and they have agreed on and cooperate in the revision of the reactor project," he said.

Mr. Gallucci promised South Korea that the United States would not try to improve its relations with the North at the expense of the South and said Pyongyang had to move ahead in its dialogue with Seoul.

He said that Washington was aiming for normal relations with North Korea and that "preliminary discussions" on the opening of liaison offices in the respective capitals were a step in this direction.

But such offices will be set up only in the context of an overall settlement of the nuclear dispute, he said, and it would be "extremely premature" to see them as a reality anytime soon.

Malaysia Leader Accuses West Of Colonial Policies in Disguise

The Associated Press

JAKARTA — Prime Minister Mahathir bin Mohamad of Malaysia accused Western nations on Friday of wanting to perpetuate colonialism and failing to help poorer nations develop.

Mr. Mahathir was addressing the International Conference on Human Resources, attended by 150 experts and officials from 37 countries including the United States and other Western nations.

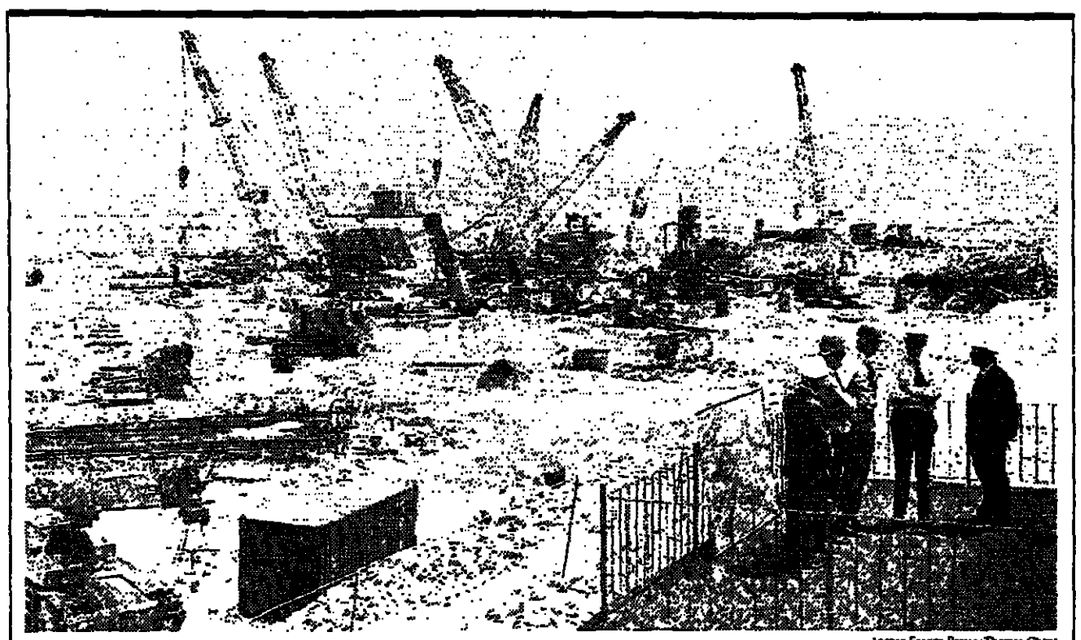
"The strong and the rich are not willing to change their attitude," Mr. Mahathir said.

He accused Western countries of using human rights and environmental issues to block products from the poorer South from entering their markets.

"All these cares and concerns for human rights and democracy are laudable, except that the obvious results of applying Western standards would be to knock out the competitiveness of the manufactured products of these countries," he said.

Earlier in the day, Mr. Mahathir met with President Suharto of Indonesia and agreed to settle a territorial dispute over two islands through bilateral negotiations.

Malaysia had earlier proposed that the International Court of Justice consider the dispute over the islands of Sipadan and Ligitan, which both Malaysia and Indonesia claim.



Agence France-Presse/Thomas Cheng

Douglas Hurd and Chris Patten, in hard hats at right, being briefed Friday at the site of Hong Kong's new airport.

Hurd Fails to Allay Hong Kong Lawmakers' Fears

The Associated Press

HONG KONG — Hong Kong legislators voiced their concerns about the 1997 takeover of the British colony by China at a sometimes stormy meeting Friday with Foreign Secretary Douglas Hurd, and said they came away disappointed.

Mr. Hurd countered with an upbeat appraisal, saying he found Hong Kong calm and confident about its future under China.

Among points raised by legislators were Britain's reluctance to set up a commission to protect human rights after the sovereignty change, its refusal to grant full British citizenship to three and a half million Hong Kong nationals, and the lack of cooperation by China on assuring a smooth transition.

"I'm not satisfied, but I never expected much would come out of this meeting," said a legislator, Martin Lee.

Mr. Hurd "did not give us any satisfactory solution to our many concerns," Mr. Lee said on Hong Kong radio.

Another legislator, Emily Lau, said she reminded Mr. Hurd that he has said he does not want this final chapter of the British Empire to end "in a shabby way."

"I said, 'If you abandon several million citizens, it's bound to end in a shabby and horrific way. As the foreign secretary, what can you do for us?' and the answer was, nothing."

She accused Mr. Hurd of not taking seriously enough the problems ahead

In Colony, Small Election but Big Issues

The Associated Press

HONG KONG — On the face of it, the election here on Sunday does not amount to much: It is about who will do a better job of advising the governor on garbage collection, typhoon shelters and the like.

But beneath the surface is a struggle over who will command the high ground in the final critical years before China takes over in 1997.

Although the elections are strictly local, they will be closely watched for signs of whether Hong Kong's democrats — at last count the most popular party in the colony — can hold their ground against the rising pro-China forces.

Many votes are likely to go to independents, so the election is not a wholly reliable guide to the big picture.

But even the turnout will have political meaning. A high turnout will suggest that despite China's hostility to the changes introduced by Governor Chris Patten, voters still believe in the system.

The elections for Hong Kong's 18 District Boards are being held under rules devised by Mr. Patten in defiance of China's wishes. These have lowered the voting age from 21 to 18 and scrapped appointed seats on the boards, and have given the boards the right to elect a sixth of the legislature.

But although the boards have no powers except to "advise," China has vowed to disband them along with Hong Kong's other elected bodies in 1997, in retaliation for Mr. Patten's reforms.

Yet China is encouraging its supporters to contest Sunday's elections. Why?

According to Tsang Yok-sing, head of the pro-China Democratic Alliance for the Betterment of Hong Kong, it is because China fears Mr. Patten's reforms will favor democrats who are "hostile to Beijing."

"That is why China wants to see us take an active part," he said. Boycotting the election would only ensure "we wouldn't get anybody in."

Ironically, one of Mr. Tsang's arguments for backing the pro-China ticket is that if it does well, China will realize that it, too, can win dividends in a fair election.

A record 757 candidates are contesting 364 seats. The battle is expected to be fiercest between the alliance and the Democratic Party, the two factions China considers most hostile and pro-British.

In Hong Kong's last election, for the legislature in 1991, the democrats won by a landslide. But no pro-China party ran in that election.

Mr. Tsang's alliance was formed in 1992 — "a very late and poor start," he said. But the pro-Beijing press provides friendly coverage, and pro-Beijing organizations and businesses give money.

The alliance's biggest strength is its networks in Chinese-aligned banks, companies and trade unions.

"We are the leftists, so we have to support each other," Mr. Tsang said.

INDIA: *Militants Shake Up Assam*

Continued from Page 1

er, who said he sympathized with the complaints of the local militant organizations even though his company had been victimized by the terrorism and extortion.

In fact, many native Assamese and tribal groups say the tea companies represent the starkest examples of economic disparity in the state. They compare the lavish way of life of the tea growers — most from outside the state — with the tea pluckers who work for them at an average daily wage of about 60 cents.

Even though the last British tea planters left in the mid-1970s, the Indian growers who replaced them have maintained much the same lifestyle.

Assam's 848 tea plantations export an 433,000 tons of tea out of the state each year, 54 percent of India's entire tea production.

Soon after the first tea company executive was assassinated in 1990 by United Liberation Front militants, whose goal is to secede from India, the tea growers put into effect new "social welfare programs as an attempt to reach out to the local population," according to a document published by the Assam Branch of the Indian Tea Association, an organization of tea growers.

In the past, tea companies also frequently provided schools and medical centers for workers and their families when the government failed to do so.

Still, the United Liberation Front militants — and, in the last two years, the tribal Bodos, who want their own state within India — began extorting tens of thousands of dollars a year from tea plantations and continued killing and kidnapping executives and growers from companies that did not comply with their demands. The Assam government has accused many tea companies of abetting the militant groups by caving in to their threats.

The attacks on the tea planters are beginning to have a chilling effect on the tea industry in Assam. Fewer buyers are showing up at the tea auction center in Assam commercial center, Guwahati, which is clinging to its title as the world's largest tea auction house.

"People don't come because of the situation here," said a business executive who works with several tea companies. "It's not worth the money."

The combination of terrorism and the aftereffects of the collapse of the Soviet Union, which was India's biggest tea customer, has driven prices this season to the lowest levels in years.

But tea executives are also worried about the loss of bright young managers who are turning down assignments in Assam.

"The tea companies are losing the cream of the crop," a Calcutta business executive said. "Now going to Assam is like a suicide mission — you know you'll be targeted."

Malaysians Kill 3 Suspects

The Associated Press

KUALA LUMPUR — The police shot and killed three people on Friday suspected of robbing 10 goldsmiths of jewelry worth $1.5 million since early last year.

Soyinka Is Said To Be Detained By Nigerians

The Associated Press

WASHINGTON — Wole Soyinka of Nigeria, a Nobel laureate, is under house arrest and has been prevented from leaving his homeland, the audience was told at a Washington conference on Nigeria's "crisis of democracy"

"The reality is that Professor Soyinka is under house arrest in Nigeria," said Adonis Hoffman of the Carnegie Endowment for International Peace, where the author and poet was scheduled to appear.

Mr. Hoffman said he had no other information except that Mr. Soyinka was unable to make his planned departure flight from Lagos. Others said there were unconfirmed reports that Mr. Soyinka, 60, was no longer reachable and either under detention or in hiding.

Nigeria's military dictatorship has begun restricting foreign travel, said a former Nigerian foreign minister, Bolaji Akinyemi, who lives in London.

Mr. Akinyemi and other speakers described the situation in Nigeria as a deepening reign of terror, with increasingly frequent random arrests and abuses under the regime of General Sani Abacha.

More Realist Than Impressionist

By Michael Gibson
International Herald Tribune

PARIS — Why did Gustave Caillebotte fail to achieve the same degree of fame as most of his fellow Impressionists? As the exhibition at the Grand Palais amply demonstrates, his work is always engaging and often excellent. But he was probably not at his best in his most characteristically Impressionist work, being by temperament more of a realist and an observer and chronicler of modern times.

Caillebotte's father made a considerable fortune selling beds and blankets to the French Army. In 1860 he acquired a large property outside Paris (at Yerres) and purchased ground in Paris in 1866 on which he built a town house.

The father died in 1874, when Gustave was 26, leaving an estate valued at several million francs. Thanks to this inheritance, Gustave was in a position to collect pictures (by his Impressionist friends), help his needy colleagues, and build sailing boats, which he regularly entered in regattas.

As a patron of the arts he assembled an important collection and had the wisdom to leave it to the state under strict conditions that ensured that the donation would be taken seriously. He was also an active organizer of the Impressionist exhibitions and his death in 1894 at the age of 46 was a real loss to his fellow artists.

He attracted critical attention by his unusual choice of subject matter and he was in many ways more interesting when he most definitely departed from the kind of subject and style favored by Renoir or Monet.

One is struck by the "realism" of much of the work in the exhibition, but also led to wonder what prompted this artist's observant eye to click like a shutter.

Two of his earlier works show bare-chested workmen planing and scraping the floorboards of a bourgeois residence ("Les raboteurs de parquet," 1875) an unusual subject.

Several paintings are devoted to the brutal diagonal structure of the bridge on Rue de l'Europe, which crosses over the tracks leading to Gare Saint-Lazare — also an innovative theme. The stiff, heavy form of the bridge runs diagonally all the way across the first of these paintings (1876), dwarfing the working man wearing a loose blouse who stands staring down at the trains. A dog, nicely observed, trots off up the street, a bourgeois couple (man in top hat, woman with parasol) stroll down toward the viewer.

Caillebotte's "Paris Street; Rainy Day" (detail).

In another painting done the following year the bridge is frontally presented and two men stand looking down at the trains. The posture of the man in the top hat is remarkable. While he is seen from behind, we nevertheless read his state of mind — a state of reverie — from the position of his head, shoulders and arms.

Unlike the Impressionists who focused mainly on light and natural features, Caillebotte is at his sharpest when he is observing people in action. His landscapes are pleasant enough, but not at all outstanding, his atmospheric street scenes can sometimes be a bit flabby, but put him in front of a bourgeois interior (lunch being served by the butler, a young man at a piano, a woman looking out the window) and you sense his interest focusing.

But the most remarkable work in the exhibition is perhaps the very large composition (212 by 276 centimeters, or 83 by 108 inches) entitled "Rue de Paris; temps de pluie" (Paris Street; Rainy Day), 1877. Its importance to the artist is apparent in the number of preparatory studies he undertook, both in pencil and in oil.

The idiom is apparently that of Realism, but the painting has none of the heaviness associated with Realism. For a subject as complex in its organization of space and diversity of materials, it is extraordinarily airy and the various areas of color are applied with the kind of simplicity generally associated with Puvis de Chavannes.

Broad areas of the umbrellas are painted off-white because black silk does shine white under the rain and, by a similar process applied to a wide range of materials (including paving stones), the entire street is magically transmogrified, lifted into timelessness. It becomes memorably monumental and earns the painter a good place in the artistic pantheon of his century.

As a portraitist, Caillebotte leaves us a gallery of people — hardly the keen-minded type immortalized by Ingres's Monsieur Bertin, but average people who might have been anyone's aunt or uncle, people of set principles, limited sensibility and moderate generosity.

One of Caillebotte's favorite subjects is a man or woman looking out a window or down from a balcony. The person is shown from behind, in a position that suggests being lost in thought ("Jeune Homme à sa fenêtre," 1875, or "Intérieur," 1880). He or she looks out at a world that is at some distance even when the window is open, and is perhaps a matter of bemused observation. Intriguingly, Caillebotte's subjects seem to look out at the city in much the same attitude as Caspar David Friedrich's wanderer lost in contemplation before the majesty of the sea or the mountains.

One senses in all this that Caillebotte has been neglected precisely because he does not fit into the thematic mold of the Impressionist movement with which he is usually associated. He is neither a true Impressionist nor a true Realist.

He has points in common with Degas, but not his scope, and while his work has obvious merits as painting, it is also interesting as a sort of peephole into the past, an insightful view of the sort of bourgeoisie of the end of the last century who made their fortune selling blankets to the army and spent it judiciously on land and on art.

Gustave Caillebotte, Grand Palais to Jan. 9; Art Institute of Chicago, Feb. 15-May 28.

Antonio Guardi's "Madonna of the Rosary" (detail) in the Royal Academy's exhibition of 18th century Venetian art.

Venice's Closely Watched Decline

SOUREN MELIKIAN

International Herald Tribune

LONDON — Is artistic schizophrenia the prologue to decadence for great cultures? The case of 18th-century Venice would seem to suggest so. The evidence is admirably laid out at the Royal Academy until Dec. 14 for the European jury to make up its mind.

Seldom was an artistic pageant so full of contradictions, with ambitious paintings done as sometimes brilliant, but almost invariably shallow decorations. The blasé Venetians may have felt that they were waging a losing battle in keeping up the pretenses of the old heritage as if it were still alive.

Sebastiano Ricci's "Harpagus Bringing Cyrus to the Shepherds" sums up the farcical lack of conviction with which themes drawn from antiquity were handled. Harpagus, wearing a fancy ancient Greek helmet, appears outside a farmhouse, striding into a scene of Italian domesticity. He carries baby Cyrus, blond and perky, toward a bald, bearded grandfather gesticulating at him with southern exuberance. A Roman matron stands behind, skein in hand, while a shouting exchange goes on in the background between another matron and a man looking out a first-floor window. It is as if the artist had decided halfway through that antiquity was no longer relevant, and tried to fill his scene with random motifs of daily life.

Even consistency, as in "Susannah and the Elders," a brilliant painterly exercise, does not remove the feeling of artificiality conveyed by the theatrical exaggeration of the gestures. In Ricci's best paintings, an invasion of inessential detail overshadows the central motif. "The Flight Into Egypt," is admirably composed, but the boatmen, handled in a manner reminiscent of Bassano, and a little boy leading the ass take up more space than Mary daintily treading on a plank. Joseph looks like an elderly man who happens to be standing there.

Daily life was taking over. This was not the northern brand of 17th-century realism with carefully composed scenes rich in symbols. The Venetian artists were the first in Europe to go out on the streets or the canals to jot down in relentless detail everything that came to their attention.

This gave rise to the art of the *vedute*, the urban views of Venice that became the rage in Europe. The Dutch artist Gaspar van Wittel (Vanvitelli to the Italians) started it, contrary to what is argued in the book that accompanies the show. His 1697 view of "The Piazzetta and the Doge's Palace," reproduced for comparison, is earlier than anything in the show.

But it was left to Luca Carlevaris to give the Venetian views the feel of a day out in town. The "Bucintoro Departing From San Marco," painted in 1710, with its multitude of tiny figures in the boats, all painted with obsessive care, represents new art in Europe — it describes all that the eye sees for the pure sake of describing.

For almost a century, Venetian landscape painters embarked on a kind of all-embracing visual reportage. They made a unique record of cityscapes in Venice and elsewhere, for they were soon in great demand in England and northern European courts.

Canaletto led the band in the first generation. Because much of Venice stands as it did 250 years ago, we can measure the impeccable accuracy for which he was praised to high heaven by some contemporary Italian writers. English lords, unable to resist the lure of his large picture postcards, persuaded him to come to Britain. To them we owe the views of London as it once looked with the beautiful Westminster Bridge and myriad harmonious houses now gone. It is not great art, but as a travelogue it is unforgettable.

To Canaletto's nephew, Bernardo Bellotto, we are indebted for a record of landscapes now altered beyond recognition or of cities wiped out by World War II, like Dresden and Warsaw. In a more somber vein, Bellotto has a feeling for immensity and light that resulted in occasional masterpieces, such as "The Fortress of Königstein."

He also brought greater attention to architectural precision than anyone else. Coupled with a news writer's sense of immediacy, this sometimes led to gripping sights. The final demolition of the Kreuzkirche in Dresden in 1765 is one of them. Only the tower stands after the Prussian bombardment. It still rises well above the stern facades of early 18th-century Saxon buildings.

Along with topographical observation came a kaleidoscope of life and events. It starts with Marco Ricci's "The Opera Rehearsal" and its fatuous bewigged maestro pointing a finger at musicians glazed with boredom or trying hard to look eager. A touch of the cartoon with ambitions to disconcert creep into Pietro Longhi's "The Rhinoceros," combined with a concern for the close rendition of things as they are. The women's faces could be those of painted dolls but one can almost hear the munching of the rhinoceros — stalks of fodder stick out of its mouth.

There was another side to Venetian art cultivated in private by some painters. This too was based on acute observation, but the target was the human face. A new alertness to feelings crops up that had not registered with previous artists or had left no trace in their work. Drawings reveal it more often than paintings. The profile of a bald man with a high forehead by Jacopo Amigoni is an extraordinary psychological study. The flesh is sagging slightly, although the facial muscles are contracted. The lips are pressed in mute wistfulness with the merest soupçon of bitterness. This is a man reflecting about life and the onslaughts of age.

Giambattista Piazzetta, heavily under the spell of Caravagesque ideas in his painting, as in "The Supper at Emmaus," discloses an unexpected strain in a drawing from the Curtis O. Baer collection that ranks among the most astonishing in the 18th century. An adolescent embraces a girl around the shoulders in a timid yet protective gesture. Her eyes are cast down, perhaps closed under her long eyelashes in the intensity of feeling. Yet, she nervously tightens her fingers on the lapel of his jacket. This is probably the earliest European record of the first emotions of youth.

THE same introspective quality comes out in a rare painting done about 1712-14, the portrait of Giulia Lama. A woman, still young, is seen sideways with a marked stoop, as if dragged down by suffering or exhaustion, her lips half open. Three decades later, Piazzetta painted yet another portrait, "Boy in a Polish Costume," catching a mix of subtle feelings on the face — surprised, sad, slightly scared.

This was the private poetical escape of the artist, away from the theatrical or the trite. There was a more public escape into sheer fantasy. Some of it is disturbing and surreal. Giovanni Battista Piranesi had Kafkaesque visions of architecture unfolding itself endlessly, as in the "Arcaded Portico Seen From an Angle." His capriccios can have a mad touch to them. A Morgan Library capriccio with part of an arched terrace here, a sarcophagus there, sections of ancient Roman columns elsewhere, feels like a dream in which things are caught sight of and vanish. The dream can turn into nightmare, of which the "Prisons" series offers the quintessence — puny humans climbing the stairs of gigantic structures, prisoners crushed in chains.

Francesco Guardi's escape was in the opposite perspective. There is an irrepressibly chirpy hum to the best of his imaginary landscapes, done in impressionistic shreds, as in his stunning drawing of a "Concert for the Conti dei Nord." That mirth was not to last. As the visitor leaves, he bids farewell to the sleek milky statues of Antonio Canova. They look like spoofs of Classical sculpture in a Hollywood film. Napoleon's Europe admired it, friends and foes alike. The glory of Venice was gone for good.

RELIGIOUS SERVICES

AMSTERDAM
CROSSROADS INTERNATIONAL CHURCH Interdenominational & Evangelical Sunday Service 10:00 a.m. & 11:30 a.m./ Kids Welcome. De Cuserstraat 3, S. Amsterdam Info. 02940-15316 or 02503-41369.

HANNOVER
INTERNATIONAL FELLOWSHIP meets at LKG, Plinkestr. 7. First and third Sundays at 10:00 a.m. All dominations. Tel.: 0511-551846

KIEV
INTERNATIONAL CRISTIAN ASSEMBLY (AOG) Evangelical Fellowship, Sundays, Kiev Council Trade Union, 18 Khreschatik Street, call Pastor Brown (7044) 244-3376.

LYON
Lyon Christian Fellowship. 1 bis rue P.L. Bernex, 69100 Villeurbanne. Sundays 6:00 p.m., Tel.: 72 36 35 52.

MUNICH
INTERNATIONAL COMMUNITY CHURCH, Evangelical, Bible Believing, services in English 4:15 p.m. Sundays at Einhuber Str. 10 (02 Theresienstr.) (089) 93 45 74.

PARIS and SUBURBS
EMMANUEL BAPTIST CHURCH, 56 Rue des Bons-Raisins, Rueil-Malmaison. An Evangelical church for the English speaking community located in the western suburbs.S.S. 9:45; Worship: 10:45. Children's Church and Nursery. Youth ministries Dr. B.C. Thomas, pastor. Call 47.51.29.63 or 47.48.15.29 for information.
HOPE INTERNATIONAL CHURCH (Evangelical). Sun. 9:30 a.m. Hotel Orion. Metro 1 : Esplanade de La Défense. Tel.: 47.73.53.54 or 47.73.14.27.
THE SCOTS KIRK (PRESBYTERIAN) 17, rue Bayard, 75008 Paris. Metro FD Roosevelt. Family service & Sunday School at 10:30 a.m. every Sunday. All welcome. For information 48 78 47 94.
SAINT JOSEPH'S CHURCH (Roman Catholic). Masses Sunday: 9:45 a.m., 11:00 a.m., 12:15 p.m., and 6:30 p.m. Saturday: 11:00 a.m. and 6:30 p.m. Monday-Friday: 8:30 a.m. 50, avenue Hoche, Paris 8th. Tel.: 42.27.28.56. Metro: Charles de Gaulle - Etoile.

SALZBURG
BEREAN BIBLE CHURCH. In Berea, "They searched the scriptures daily" Acts 17:11. Evangelical English service at 10:30 a.m. with Pastor David Ibbotson, Franz Josef Strasse 23. For info call 43 (0) 662 455563.

TOKYO
ST. PAUL INTERNATIONAL LUTHERAN CHURCH, near Iidabashi Stn. Tel.: 3261-3740. Worship Service: 9:30 a.m. Sundays.
TOKYO UNION CHURCH, near Omotesando subway sta. Tel. 3400-0047. Worship services Sunday 8:30 & 11:00 a.m., SS at 9:45 a.m.

USA
If you would like a free Bible course by mail, please contact: L'EGLISE de CHRIST, P.O. Box 513, Staunton, Indiana 47881 U.S.A.

VIENNA
VIENNA CHRISTIAN CENTER; A CHARISMATIC FELLOWSHIP FOR VIENNA'S INTERNATIONAL COMMUNITY. * English Language * Trans-denominational, meets at Hailgasse 17, 1070 Vienna, 6:00 p.m. Every Sunday. EVERYONE IS WELCOME. For more information call: 43-1-318-7410.

ZURICH-SWITZERLAND
ENGLISH-SPEAKING CATHOLIC MISSION St. Anton Krypt, Minervastrasse 63, Sunday Mass: 11:30 a.m. Located near Kreuzplatz. Tram No. 15 or 11.

UNITARIAN UNIVERSALISTS

BARCELONA: (34) 3-314-9154.
BRUSSELS: Tel.: (32) 2-260 0226. or (32) 2-762-4293 meets 3rd Sun. of month.
GENEVA/BERN: (41) 31-352 3721.
HEIDELBERG: (46) 6221-472116
MUNICH: (49) 821-47-24 86 meets 4th Sunday each mo. at 2 p.m., Peace Church, Frauenlobstr. 5, Munich.
NURENBERG: (49) 911-46-7307.
NETHERLANDS: (31) 71-14-09 86.
PARIS: (33) 1-40-50-98-19.
UK: (44) 611-71-94-61.
WIESBADEN: (49) 611 71-94 61. Next conference: Oct. 14-16. For info: (33) 1-47 05-39-77.

THE EPISCOPAL CHURCHES OF EUROPE (Anglican)

PARIS and SUBURBS
THE AMERICAN CATHEDRAL OF THE HOLY TRINITY, Sun. 9 & 11 a.m., 10:45 a.m. Sunday School for children and Nursery care. Third Sunday 5 p.m. Evensong. 23, avenue George V, Paris 75008. Tel.: 33 1 47 20 17 92. Metro: George V or Alma Marceau.

FLORENCE
ST. JAMES' CHURCH, Sun. 9 a.m. Rite I & 11 a.m. Rite II, Via Bernardo Rucellai 9, 50123, Florence, Italy. Tel.: 39/55 29 44 17.

FRANKFURT
CHURCH OF CHRIST THE KING (Episcopal/Anglican) Sun. Holy Communion 9 & 11 a.m. Sunday School and Nursery 10:45 a.m. Sebastian Rinz St. 22, 60323 Frankfurt, Germany, U1, 2, 3 Miquel-Allee. Tel: 49/69 55 01 84.

GENEVA
EMMANUEL CHURCH, 1st, 3rd & 5th Sun. 10 a.m. Eucharist & 2nd & 4th Sun. Morning Prayer. 3 rue de Monthoux, 1201 Geneva, Switzerland. Tel.: 41/22 732 80 78.

MUNICH
THE CHURCH OF THE ASCENSION, Sun. 11:45 a.m. Holy Eucharist and Sunday School, Nursery Care provided. Seybothstrasse 4, 81545 Munich (Harlaching), Germany. Tel.: 49/89 64 81 85.

ROME
ST. PAUL'S WITHIN-THE-WALLS, Sun. 8:30 a.m. Holy Eucharist Rite I; 10:30 a.m. Choral Eucharist Rite II; 10:30 a.m. Church School for children & Nursery care provided; 1 p.m. Spanish Eucharist. Via Napoli 58, 00184 Roma. Tel.: 39/6 488 3339 or 39/6 474 3569.

BRUSSELS/WATERLOO
ALL SAINTS' CHURCH. 1st Sun. 9 & 11:15 a.m. Holy Eucharist with Children's Chapel at 11:15. All other Sundays: 11:15 a.m. Holy Eucharist and Sunday School. 563 Chaussée de Louvain, Chain, Belgium. Tel. 32/2 384-3556.

WIESBADEN
THE CHURCH OF ST. AUGUSTINE OF CANTERBURY, Sun. 10 a.m. Family Eucharist. Frankfurter Strasse 3, Wiesbaden, Germany. Tel.: 49/611.30.66.74.

EUROPEAN BAPTIST CONVENTION

BARCELONA
FAITH FELLOWSHIP INTERNATIONAL meets at 9:00 a.m., Bona Nova Baptist Church Carrer de la Clotet de Balaguer 40 Pastor Lance Borden, Ph. 439-5059.

BERLIN
INTERNATIONAL BAPTIST CHURCH, BERLIN. Rothenburg Str. 13, (Steglitz). Bible study 10:45, worship at 12:00 each Sunday. Charles A. Warford, Pastor. Tel.: 030-774-4570.

BONN/KÖLN
THE INTERNATIONAL BAPTIST CHURCH OF BONN/KÖLN, Rheinau Strasse 9, Köln. Worship 1:00 p.m. Calvin Hogue, Pastor. Tel.: (02236) 47021.

BRATISLAVA
Bible Study in English. Palisady Baptist Church Zirinskeho 2 16:30-1745. Contact Pastor Jozep Kulack. Tel: 31 67 79

BREMEN
INTERNATIONAL BAPTIST CHURCH (English language) meets at Evangelish-Freikirchlich Kreuzgemeinde, Hohenlohestrasse Hermann-Bose-Str. (around the corner from the Bahnhof) sunday worship 17:00 Ernest D. Walker, pastor. Tel. 04791-12677.

BUCHAREST
INTERNATIONAL BAPTIST CHURCH, Strada Popa Rusu 22. 3:00 p.m. Contact Pastor Mike Kemper, Tel. 312 3860.

BUDAPEST
International Baptist Fellowship. II Bimbo u. 56 (main entrance Tapolcsanyi u. 7, immediately behind front entrance). 10:30 Bible study. 6:00 p.m. Pastor Bob Zbinden. Tel.: 1 156116. Reached by bus 11.

BULGARIA
INTERNATIONAL BAPTIST CHURCH, World Trade Center, 36, Drahan Tzankov Blvd. Worship 11:00. James Duke, Pastor. Tel.: 704367.

CELLE/HANNOVER
INTERNATIONAL BAPTIST CHURCH, Windmuhlen Strasse 45, Celle 1300 Worship, 1400 Bible Study, Pastor Wert Campbell, Ph. (05141) 46416.

DARMSTADT
DARMSTADT/EBERSTADT BAPTIST MISSION. Bible study & Worship Sunday 10:30 a.m. Stadtmission Da-Eberstadt, Bueschstr. 22, Bible study 9:30, worship 10:45. Pastor Jim Webb. Tel.: 06155-6009216.

DÜSSELDORF
INTERNATIONAL BAPTIST CHURCH. English. Worship and Children's Church Sundays at 12:30 p.m. Meeting temporarily at the Evangelisch - Freikirchliche Gemeinde in Ratingen, Germany (Kaiserberg 11). Friendly Fellowship. All denominations welcome. For further information call the pastor. Dr. W.J. De Lay, Tel.: 0211 - 400 157.

FRANKFURT
INTERNATIONAL CHRISTIAN FELLOWSHIP Evangelisch-Freikirchliche Gemeinde, Sodenerstr. 11-18, 6380 Bad Hornburg, phone/Fax: 06173-62728 serving the Frankfurt and Taunus areas, Germany. Sunday worship 09:45, nursery + Sunday-school 10:00, women's bible studies. Housegroups - Sunday + Wednesday 19:30. Pastor M. Levey, member European Baptist Convention. "Declare His glory amongst the nations."
BETHEL INTERNATIONAL BAPTIST CHURCH. Am Dachsberg 92, Frankfurt a.M. Sunday worship 11:00 a.m. and 6:00 p.m. Dr. Thomas W. Hill, pastor. Tel.: 069-549559.

HEIDELBERG
GRACE INTERNATIONAL BAPTIST CHURCH, Industrie Str 11, 6902 Sandhausen. Bible study 09:45. Worship 11:00. Pastor Paul Hendrix. Tel.: 06224-52295.

HOLLAND
TRINITY BAPTIST S.S. 9:30. Worship 10:30, nursery, warm fellowship. Meets at Bloemcamplaan 54 in Wassenaar. Tel.: 01751-78024.

MADRID
INMANUEL BAPTIST, MADRID. HERNANDEZ DE TEJADA, 4. ENGLISH SERVICES 11 a.m., 7 p.m. Tel.: 407-4347 or 302-3017.

MOSCOW
INTERNATIONAL BAPTIST FELLOWSHIP Meeting 1100; Kino Center Building 15 Druzhinnikovskaya UL 5th Floor, Hall 6, Metro Station Barrikadnaya Pastor Brad Starney Ph. (095) 150 3293.

MUNICH
INTERNATIONAL BAPTIST CHURCH OF MUNICH, Holzstr. 9 English Language Services. Bible study 16:00. Worship Service 17:00. Pastor's phone: 6908534.

PRAGUE
International Baptist Fellowship meets at the Czech Baptist Church Vinohradska # 68, Prague 3. At metro stop Jiriho z Podebrad Sunday a.m. 11:00 Pastor: Bob Ford (02) 311 0693.

WUPPERTAL
International Baptist Church. English, German, Persian. Worship 10:30 a.m., Sellerstr. 21, Wuppertal - Elberfeld. All denominations welcome. Hans-Dieter Fraund, pastor. Tel.: 0202/4698384.

ZURICH - SWITZERLAND
INTERNATIONAL BAPTIST CHURCH of Wädenswil (Zürich). Worship Services Sunday mornings 11:00. Tel.: 1-724 2862.

ASSOC. OF INT'L CHURCHES IN EUROPE & MIDEAST

BERLIN
AMERICAN CHURCH IN BERLIN, cor. of Clay Allee & Potsdamer Str., S.S. 9:30 a.m., Worship 11 a.m. Tel.: 030-8132021.

BRUSSELS
THE INTERNATIONAL PROTESTANT CHURCH OF BRUSSELS, Sunday School 9.30 a.m. and Church 10:45 a.m. Kattenberg 19 (at the Int. School). Tel.: 673.05.81. Bus 95. Tram 94.

COPENHAGEN
INTERNATIONAL CHURCH of Copenhagen, 27 Farvergade. Varlov, near Rådhus. Study 10:15 & Worship 11:30. Tel.: 31624785.

FRANKFURT
TRINITY LUTHERAN CHURCH, Nibelungen Allee 54 (Across from Burger Hospital), Sunday School 9:30, worship 11 a.m. Tel.: (069) 599478 or 512552.

GENEVA
EV. LUTHERAN CHURCH of Geneva, 20 rue Verdaine. Sunday worship 9:30, in German 11:00 in English. Tel: (022) 310.50.89.

JERUSALEM
LUTHERAN CHURCH of the Redeemer, Old City, Muristan Rd. English worship Sun. 9 a.m. All are welcome. Tel.: (02) 281-049.

LONDON
AMERICAN CHURCH in London 79 Tottenham Ct. Rd. W1. SS at 10.00 a.m., Worship at 11.00 a.m. Goodge St. tube. Tel: 071-580 2791.

PARIS
AMERICAN CHURCH IN PARIS. Worship 11:00 a.m. 65, Quai d'Orsay, Paris 7. Bus 63 at door, Metro Alma-Marceau or Invalides.

STOCKHOLM
IMMANUEL CHURCH, Worship Christ in Swedish, English, or Korean. 11:00 a.m. Sunday. Birger Jarlsg. at Kungstensg. 17. 46/08/ 15 12 25 x 727 for more information.

TIRANE
INTERNATIONAL PROTESTANT ASSEMBLY, Interdenominational & Evangelical. Services: Sun. 10:30 a.m., 6:00 p.m., W.d. 6:00 p.m. Rruga Myslym Shyri. Tel/Fax 35-42-42372 or 23282.

VIENNA
VIENNA COMMUNITY CHURCH. Sunday worship in English 11:30 A.M., Sunday school, nursery, international, all denominations welcome. Dorotheergasse 16, Vienna 1.

WARSAW
WARSAW INTERNATIONAL CHURCH. Protestant English language expatriates, Sundays 11:00 a.m. (Sept.-May), 10 a.m. (June-Aug.): Sunday School 9:55 (Sept-May) UL. Miodowa 21. Tel.: 43-29-70.

ZURICH
INTERNATIONAL PROTESTANT CHURCH English speaking, worship service, Sunday School & Nursery, Sundays 11:30 a.m., Schenzengasse 25. Tel.: (01) 2625525.

BOOKS

THE LADIES' LUNCH

By Patricia O'Brien. 284 pages $22. Simon and Schuster.

Reviewed by
Susan Douglas

WHAT if Vincent Foster had been a woman? And what if the various suicide warning signs — depression, desperate phone messages — had been ignored by all of her close female friends, who were far too busy with their own careers to pencil her into their Filofaxes? And, finally, what if one of these self-absorbed friends were a Zoë Baird type, eagerly eyeing a vacant slot on the Supreme Court? This is the premise of Patricia O'Brien's new novel, set in a Washington of the not-too-distant future.

In this Washington, elderly demonstrators have replaced anti-abortion activists as the most vociferous protesters because under health-care reform, medical care to seniors is now rationed, and the seniors are not amused. Euthanasia has eclipsed abortion as the nation's most controversial issue, and the fate of Supreme Court nominees rests, in part, on their stand on the issue.

It is within this milieu that one member of "The Ladies' Lunch," Judge Sara Marino, freshly nominated to the court, struggles to survive the confirmation process while trying to figure out why her friend Faith Paige, press secretary to the president, committed suicide. The book seeks to explore how power is used and misused in Washington by asking two questions: Why did Paige die, and will Marino be confirmed? Both questions take us to the White House, where a greedy, Machiavellian chief of staff and a feckless president hold court. The same questions also take us to the heart of female friendships as they are managed by high-profile, powerful women in the U. S. capital.

The other members of the Lunch, a monthly gathering of old friends, are Maryland Representative Carol Lundeen, ex-Washington Post reporter and current free-lancer Maggie Stedman, and caterer to the stars Leona Maccoby. All of these characters have the depth of a cookie sheet. We are rarely exposed to their inner lives.

Introspection here lasts a nanosecond, and for the first part of the book I had to use mnemonic devices to remember which character was which, since they are distinguished primarily by their hair color and occupation (the fact that "Carol" and "Congress" both start with C was especially helpful). The plot, despite some resemblances to real life, strains one's credulity.

Nonetheless, O'Brien is on to something — the toll that professional achievement for women has taken on their friendships. In the workaholic culture of the professional classes, where leisure time continues to shrink, it is no surprise that women trying to succeed at their jobs while also raising their kids and maintaining relationships have to give short shrift to their friends. This is especially true in Washington, where working less than 12 hours a day is a sign of professional and moral sloth.

What the reader would like, and doesn't get, from "The Ladies' Lunch" is an exploration of the deep ambivalence many women feel when they acquire power and when they have to — or want to — place work ahead of family and friends. Truly exploring the inner lives and thought processes of ambitious, successful women who also cherish their friends not only would have made this a meatier book, it would have countered the persistent stereotype that women in power are selfish, superficial and heartless.

Susan Douglas, who is the author of "Where the Girls Are: Growing Up Female With the Mass Media," wrote this for The Washington Post.

ART

An Unflinching Focus On Wasteland of Drugs

By Mark Kurlansky

NEW YORK — What happens when a skinny, balding, harmless-looking photojournalist has the skill, tenacity and physical courage to capture in black-and-white images the brutality and waste of drug addiction in three of America's most burned-out neighborhoods? He is denounced in the black media, picketed as a racist in front of The New York Times and is publicly accused of being "white."

Eugene Richards, 50, is white, more precisely Irish-American from the Dorchester section of Boston. In addition to his remarkable photographic eye, an intuitive ability to create images that capture intimate, secretive moments, he has an instinct for controversy. After refusing to serve in the Vietnam War, for alternative service he was ordered to Arkansas as a Vista volunteer. There he ran afoul of the Ku Klux Klan, which expressed disapproval of his work on a small newspaper by beating him so severely that he developed amnesia.

"I guess I was hit with a baseball bat. They say they found a dent of that kind," was the only information Richards could offer on the incident.

But his five years in Arkansas also led to his first photography book, "Few Comforts or Surprises: The Arkansas Delta." He has done six books since then, preserving in sometimes harrowing black-and-white a close-up, relentlessly unglossy portrait of some of the more troubling aspects of American society. His most commercially successful book was "The Knife and Gun Club: Scenes From an Emergency Room."

This year his portrait of drug addiction in urban ghettos, "Cocaine True Cocaine Blue," was published.

Richards denies that he is a crusader, saying, "Honest to God, I've been around too long to believe that photography is going to change things. I appreciate the people who believe it and I wish it did, because if it did it would have ended wars a long time ago with some of the horror to be shown. All we would have to do is look at some of the Rwanda pictures and we would not allow there to be such carnage. But it doesn't work that way."

He did do his latest book in the hope that society would react. "I did the drug book as stimulus," he said. "To get dialogue going. That's the most you can hope for from photographs."

BUT the dialogue has not been entirely pleasant for him. The first reactions were from the neighborhoods where he had worked: East New York, the Red Hook section of Brooklyn and North Philadelphia.

"The neighborhoods got crazy," he said. "North Philadelphia said it was too hard on them. Red Hook has families, it's got good people and it's got churches, but we did the drug problem. That's what it was about: the drug problem. I worked really hard to make sure the drug book was about drugs. It's about hard-core drug use. It's not about the neighborhood."

From Richards's "Cocaine True Cocaine Blue."

In the cover photo a woman is holding a syringe in her teeth. The picture is shot from close enough to see the details of her teeth. Inside the book, are a lot of drugs, and a lot of guns and a lot of blank, worn-out faces. Richards captures them shooting, smoking, nodding. The most talked about picture in the book is shot in a crack house in North Philadelphia. A black woman is on her knees opening the fly of a man with his hands on his hips. In the background on the wall are pictures of the icons of black America including Malcolm X and Martin Luther King. Clinging to the prostitute's back is a small child with a plastic pacifier in his mouth.

When The New York Times Magazine ran the photo in December, the newspaper was picketed by activists who called Richards and The Times "racist." He was accused of denigrating African Americans. But what angered the photographer was that although many people commented on this picture, no one seemed interested in the subject. "Nobody ever asked me the name of the woman, the age of the child, how she got to be what she is. All anybody cares about is their color. Who's the racist here?"

"Cocaine True Cocaine Blue" has raised many questions about what a journalist should and should not be doing. Some criticized Richards for not calling in public services to help addicts. Others attacked him for being too involved. He admits supplying needles to a woman whom he could not bear watching using old bent needles that were likely to transmit AIDS. And he did turn in a drug counselor who was prostituting 12-year-old girls. And he also paid people money. Richards argues, "It's the real world, and you do become involved with people."

What no one doubts is the amount of physical courage it took to do this book. He and the reporter Edward Barnes spent what Richards called "a boringly long time" in each community before he dared to even take a single frame. "They think you're a cop. They get past thinking you're a cop for some reason, then you're in danger. You think this is really great. They believe you. If they believe you, then they are going to shoot you."

What is most remarkable about his work is the private moments he manages to photograph without a perceivable sense that a photographer was in the room. According to him, his secret is, "Even if they don't like it, if you get close to people, really get close . . . the closer you are, the easier it is to take pictures of them. . . . Someone said I look like a minister, which is the most boring person on earth. I think that's part of it, too."

But the public doesn't get bored when the pictures are published. He thinks his next book will be less controversial. Titled "Americans We," it is 100 pictures from around the country. But somehow this one won't be free of controversy either. It opens with a series of baby pictures. One of the babies has been adopted by gay parents — two gay men on a bed with their baby.

"You can't help it," says Richards. "Somebody is always going to get pissed off."

Mark Kurlansky's most recent book, on European Jewry, will be published this year.

Howard Finster's 1983 "Delta Painting," one of the more recent pieces in an exhibition at the Museum of American Folk Art in New York.

Telling the Story With More Than Words

By Lanford Wilson

NEW YORK — The written word in the visual arts, the combination of text and image, has been with us since writing was invented and has taken countless forms: the illustrated narrative, a work that serves a ceremonial function, a forum for conveying an artist's opinions or a means of recording specific events.

The first settlers in America inscribed gravestones with sweet pieties, stylized angels and startling death skulls. Up and down the Eastern seaboard, carefully penned family records recall the births and deaths, triumphs and failures of generations.

Birth, baptismal and marriage certificates (sometimes created by a member of the family; sometimes, as in the fraktur of the Pennsylvanian Germans, by ministers and schoolteachers to supplement their thin incomes) were adorned with vividly colored, stylized scenes and objects from everyday life. Some works fulfill a specific purpose (trade signs and such), but others have a more rhetorical agenda: religious, political or didactic.

The Museum of American Folk Art is presenting 75 examples of these words and images in the exhibition "Every Picture Tells a Story: Word and Image in American Folk Art." The show, which runs through Jan. 15, includes selections from the earliest colonies to the present, from birth certificates to walking sticks.

The exhibition is so inclusive, in fact, that it defies theory or summation. But it offers a telling history of the United States and a striking record of the human experience.

We have seen these objects; we collect them for their strong graphic appeal; we have learned to appreciate their charm. But set against contemporary self-taught painters, those impassioned lay preachers and obsessed men and women whose work is beginning to make such an impact on the art world, they take on a dramatic new reality, a new depth and urgency. They become autobiographical, passionately emphatic, more than merely decorative; they become art.

As John Sloan wrote in his 1939 book "The Gist of Art": "The real creative artist doesn't care whether his work is art or not. He has his work to do, is driven by creative fire. He can't concern himself with whether what he is doing is art."

IN the work of many of the self-taught artists of the 19th and 20th centuries that "creative fire" is almost palpable. The gift-drawings of the 19th-century Shaker artist Hannah Cohoon were inspired by visions that she relates, in beautiful penmanship, as part of an overall design.

But even when the painting, loaded with text, remains a locked-door mystery to the viewer, an impenetrable private or personal mythology, the urgency is so strong, the moment so specific, we never doubt that the artist was completely present, trying to tell us *something*.

We can see this in the work — samples of which are on view at the museum — of such 20th-century artists as Peter (Charlie) Bensharo, with his spacemen visitations, in the crabbed sermons of Howard Finster and in the apocalyptic visions of the Reverend William A. Blayney.

Blayney tags almost everything in his pictures, sometimes with a biblical reference, chapter and verse, like a child's drawing with every object labeled: "Sun, tree, house, mother, dog, me." This isn't to imply any naïveté — the work reveals amazing sophistication — only that the artist wanted to be sure you got it right.

And it shouldn't be surprising that so many self-taught artists use the written word in their work. Though they may not be familiar with the art world, they are very present in the real world, open to the influences of ordinary life. And the written word paired with images is endemic, from comic books and T-shirts to television and print ads. This is the world we live in.

Lanford Wilson, whose most recent play was "Redwood Curtain," collects works by 20th-century self-taught American artists. He wrote this for The New York Times.

'66 Accident at Israel Atom Site

Details Emerge of Explosion That Killed One

Washington Post Service

JERUSALEM — Details have emerged here of a long-undisclosed accident nearly 30 years ago at Israel's secret nuclear-research site in which one worker was killed and at least one injured.

The Israeli newspaper Ma'ariv reported that the accident, which occurred on Dec. 14, 1966, in a laboratory at the plant, required an emergency cleanup that took two months.

Ma'ariv's account, which was submitted to Israeli military censors before publication, did not say the cleanup was to remove radioactive materials or that the accident involved an explosion. But Environment Minister Yossi Sarid said in an interview that "there was a blowup within the laboratory," which was housed separately from the facility's nuclear reactor at Dimona in the Negev.

Mr. Sarid also said that "there was a certain degree of radiation" inside the laboratory, "but outside there was no radiation."

He added: "It was cleaned up. It was 28 years ago."

This is the first detailed information that has surfaced about an accident in Israel's nuclear program, which began in great secrecy in the 1960s. For 20 years, U.S. and other analysts have said Israel has developed nuclear weapons, but Israel has never acknowledged this.

Through censorship, Israeli authorities have prevented the press here from reporting about the facility's work.

The Israeli Atomic Energy Commission admitted for the first time in July that a "work accident" at Dimona had occurred after Israel's Channel One broadcast an interview with an employee of the site who said that an accident more than two decades ago had left one person dead.

In its brief statement two days after the program, the commission said the death of the employee, whom it did not identify, was not "connected directly or indirectly to radioactivity," but was a result of a blow to his head. It said the incident had caused no environmental contamination.

Alex Doron, the Ma'ariv reporter who wrote the article with Leat Ron, said that after the commission's admission of an accident, his paper tried to get more details.

Ma'ariv found a notice in Israeli papers about the death of Abraham Gofer, 22, on Dec. 15, 1966. The notice lacked the usual information about where, how and when he died. The paper found the brother and mother of Mr. Gofer, a lab technician, and interviewed them.

Ma'ariv's article said that in the accident, Mr. Gofer was killed on the spot and three other employees were injured.

Mr. Sarid said only one person was injured, and he said Mr. Gofer died after the explosion when "something was falling down and he fell down and died."

Asked if the lab had collapsed, Mr. Sarid said he did not know, but he added that it "was harmed."

— CARYLE MURPHY

Israel Opposes Arafat On Electing New Council

By Caryle Murphy
Washington Post Service

JERUSALEM — Faced with growing criticism that his Palestinian National Authority does not have a popular mandate to administer self-rule, Yasser Arafat is pushing hard for elections by the end of the year for a new governing body of at least 100 members.

But Israel, which wants the Palestinians to elect a much smaller council, of about 25 members, says many details must be negotiated first. It also wants to see the Palestinians successfully run departments already transferred to them in the Gaza Strip and Jericho, such as health and education, before proceeding to the next stage of self-rule, which includes elections.

The disagreement underscores the Palestinians' desire for a faster implementation than Israel wants for the self-rule agreement signed in Washington a year ago by Mr. Arafat, the leader of the Palestine Liberation Organization.

Elections are a pivotal issue because the Israeli Army is required by the accord to move out of populated areas in the West Bank by the eve of Palestinian voting. That departure will be a major event for both sides, politically and psychologically.

When Mr. Arafat unilaterally announced a few days ago that elections would be held Nov. 1 and ordered voter registration offices set up, Israeli officials promptly said they would not permit the offices to open.

Any date "is completely without basis," said Joel Singer, the Israeli Foreign Ministry's legal adviser. "We haven't started the negotiations yet. We are in the process of solidifying our positions" on elections.

Under the self-rule agreement, elections were to take place last July 13. But the implementation of the first stage of the agreement, which gave Palestinians self-rule in Gaza and Jericho, took much longer than expected.

To the Palestinians, a Western diplomat said, the "elections are very important because there is an erosion of credibility" of the self-rule authority. "They are being attacked for having no mandate."

The Israelis may be reluctant about elections, he added, because they are likely to be seen as a step "toward the constitution of a Palestinian state."

"We want to see free, democratic elections taking place for a 100-member council," said Saeb Erekat, the Palestinians' minister for local government.

He accused the Israelis of stalling because they have not responded to detailed proposals he submitted in mid-August under which the 100-person assembly would elect an executive council or 20 or so members.

Mr. Erekat also complained that the Israelis have blocked preparatory work for an election by failing to hand over population records for the West Bank and by ordering a halt to a Palestinian community survey aimed at determining where to put polling stations.

Daniel Portnoy/The Associated Press

A Haitian woman in Miami clapping in appreciation of President Clinton's Haiti speech.

FORCE: *U.S. Is Prepared for a Massive Attack on Haiti*

Continued from Page 1

whelming force," he said. "One is so that you can conduct the operation very quickly, and the second is so you can minimize casualties."

Mr. Perry said that the invasion would not turn into a manhunt for Lieutenant General Raoul Cèdras and the other military leaders, as happened in Panama when Manuel Antonio Noriega was taken prisoner only after he disappeared for several days and then holed up in a church residence surrounded by U.S. soldiers.

"Our military task is simply to separate the leadership from the military forces," Mr. Perry said. "We do not have any orders or directions to track down those leaders."

But, he added, "If, in the course of our military operations we come across them, we will arrest them."

Although the invasion force is overwhelmingly American, officials say that 24 nations have pledged 2,000 troops to a force designed to provide transitional stability in Haiti.

U.S. firepower is far superior to that of the Haitian Army and volunteer paramilitary groups, but Haitians loyal to the junta could mount a guerrilla war.

Haitian military commanders have said that soldiers have been ordered to change into civilian garb, a maneuver that military sources have said would allow soldiers to "evaporate" into the populace to wage a guerrilla war.

The last time the United States invaded Haiti was in 1915, when 330 Marines landed. They set in motion a 19-year occupation widely viewed as a brutal, racist operation that virtually restored slavery and set the stage for the ascension of leaders like those now challenging the United States.

Although the 1915 invasion initially met no mass, organized resistance, by 1920 dissent over U.S. control of the nation had boiled over into full-scale riots.

More than 2,000 peasants were massacred by the Marines and the Haitian Army, and the uprising's leader was executed. The Marines, suffering about 100 casualties, were left to maintain an uneasy peace until they withdrew in 1934.

(AP, Reuters)

The GIs May Run Haiti Government

By Joseph Fitchett
International Herald Tribune

PARIS — By normal standards, military experts say, the scale of the United States task force being assembled around Haiti appears to be extravagantly outsized, perhaps even dangerously so since sheer numbers of troops could cause casualties by friendly fire.

The explanation for the scale of the U.S. force lies in a nonmilitary factor: fears in the Pentagon that troops would be needed to run a civilian administration in Haiti for weeks after they landed.

American military planners said Friday that the mission would be completely different from recent interventions, including those in Somalia and Rwanda, because U.S. soldiers might be required to provide humanitarian relief services that volunteer organizations have run in similar crises.

Because of the political overtones surrounding the situation in Haiti, "the nongovernmental relief organizations may boycott the country as a protest," a U.S. military officer said.

Haiti does not have even the minimal physical and social infrastructure that existed in Somalia and Rwanda once the shooting stopped. "It will almost be a question of nation building, even though Washington has not publicly acknowledged it," a U.S. military officer said.

About 20 other governments have promised to provide help in reconstructing the country. But American military planners, who saw French and U.S. troops saddled with relief work for many days to aid Rwandan refugees in neighboring Zaire, fear that the political sensitivities could cause embarrassing delays in Haiti.

Although a relatively easy military operation is expected in Haiti, a post-invasion vacuum of administrative power — with a breakdown of law and order, food distribution, sanitation and health — would be a serious embarrassment for the Clinton administration. Such a humanitarian crisis would immediately become the focus of intense news coverage.

European military specialists have been puzzled by the size of the U.S. force, reportedly 20,000 soldiers.

A British officer said it was a case of "the Powell doctrine run amok," referring to the insistence of General Colin L. Powell, when he headed the Joint Chiefs of Staff, on always using overwhelming force in order to minimize U.S. casualties.

The risk, other European specialists agreed, is that confusion, including clashing commands, can damage operational efficiency.

"In Grenada, a lot of American casualties involved Americans shooting one another because there were simply too many of them in too small a place," an official of the North Atlantic Treaty Organization said.

HAITI: *Carter Sent to Meet Leaders in Last-Ditch Effort to Avoid Invasion*

Continued from Page 1

State Warren M. Christopher. "It's a very short time."

Military and other government sources said the invasion force was expected to be in place by the end of the weekend.

Mr. Clinton made a televised speech Thursday night intended to sell Americans on the idea of an invasion and told the military rulers to "leave now or we will force you from power."

But in a broadcast interview after Mr. Clinton's speech, Lieutenant General Raoul Cèdras, the Haitian military leader, said he was "prepared to fight with my people."

An last-minute attempt at diplomacy by a former Jamaican prime minister, Edward Seaga, was reported to have failed. Diplomats said Mr. Seaga was acting as a go-between for General Cèdras, but the Haitian commander in chief's right-hand man, Brigadier General Phillipe Biamby, said there was no deal.

Nevertheless, he and his colleagues were putting out feelers for a way out of their situation, according to Mr. Seaga, who said that he had been contacted by a Haitian intermediary close to General Cèdras.

The intermediary said the junta leaders were offering to step down and allow the return of Father Aristide "if there was an agreement not to proceed with the invasion" and a pledge of no retribution against about 600 people associated with the Haitian regime, Mr. Seaga said.

The junta also sought to retain the de facto government they support, but Mr. Seaga told them that would not be accepted and they dropped the condition.

Mr. Clinton sought Friday to demonstrate international support by inviting to the White House representatives of the 24 countries that have pledged assistance to the U.S. military effort.

Father Aristide appeared with Mr. Clinton and told the officials, "We say no to vengeance, we say no to retaliation, again and again, day after day."

He added, "Let us embrace peace."

Mr. Clinton, flanked by flags of the countries represented in the formal setting of the White House East room, told Father Aristide, "The hand which you have reached out even in this hour to those who have taken democracy away is critical to your success." *(AP, Reuters, AFP)*

VIRGINIA: *Voters in Decorous State Are Forced to Look at Senate Race in Negative Terms*

Continued from Page 1

"Mrs. Belly Button." Mr. North has no previous political experience, if you do not count a leadership position in the Boy Scouts or secretly taking control of U.S. foreign policy, but he is a fast learner.

Instead of running away from the character issue, he is running on it. He boomerangs Mr. Robb's attacks back at him, asserting that it is the Democratic senator who lacks moral force, because he has admitted to "socializing in situations not appropriate for a married man."

The mud wrestling over morality has not been limited to the two main competitors. Inspired by his bitter 15-year feud with Mr. Robb, Mr. Wilder ran as an independent to make the case that both Mr. Robb and Mr. North were morally unfit for the Senate.

Dropping out was difficult for him because he knows that his departure from the race may save his rival's seat.

J. Marshall Coleman, the former Republican attorney general, is still in the race as an independent to try to prove that neither party nominee has the right character to hold high office.

And the senior senator from Virginia, Mr. Warner, appalled at the thought of teaming up with "Senator Ollie," is going on a campaign swing this week with Mr. Coleman; he has made an acrimonious split from the Republican Party to portray Mr. North as a man who escaped jail for his Iran-contra exploits on a legal technicality.

Mr. North's strategy has been to try to put his violations of the public trust on the same level as Mr. Robb's lapses in his private life.

"Obviously, somebody who abuses his official position and violates laws and hides information is certainly of more concern than somebody who has personal indiscretions that he and his wife have sorted out," said John McGlennon, a professor of government at the College of William and Mary in Williamsburg, Virginia.

Mr. Robb has confessed that he received a nude massage from a former Miss Virginia in a New York hotel room and that he attended parties in Virginia Beach where cocaine was used (although he claims he did not know it at the time).

Mr. Robb got off to a slow start in his campaign. He was stuck in Congress for most of the summer, he has not yet started running television advertisements, and at a recent debate he said he was so eager to cut the budget deficit that he would be willing to "take food from the mouths of widows and orphans."

Sitting on a deck the other night at a Democratic crab fest in Falls Church, a Virginia suburb of Washington, he spoke with some awe about Mr. North's slick political organization and his way with a crowd.

"I can very easily see why so many people would find him appealing," he said. "It's a quality, that little catch in the voice, that look of sincerity."

He said he thought that Mr. North believed everything he says, which is what gives him his power. Referring to President Ronald Reagan, Mr. Robb said, "Reagan was like that, and I used to equate it to the view of a tank commander, looking through a relatively narrow slit."

Mr. Robb is swathed in domesticity. His wife puts her arms around his neck and kisses him, and his mother-in-law, the former first lady, hugs him.

Lady Bird Johnson, looking smart at 81 in a red suit, agreed that the North phenomenon was new even to her. "We're in the midst of a strange sort of a feeling in this country," she said, "and there's a lot of heat and a lot of anger."

Her daughter, wearing a blinking red button that, she said, stands for "My Heart Throbs for Robb," was more direct:

"He likes to talk about the Bible," she said. "Well, I know about the Old and New Testament. Jesus talked about love and forgiveness, he talked to the Pharisees and the Sadducees. North cannot say, 'I am God's chosen person on earth, and I am going to tell you who will go to hell.' "

The next day, at a barbecue with goats and roosters in Oakton, Mr. North, 50, made fun of his opponent with "the famous liberal father-in-law with a lot of Texas money."

The crowd was conservative. A woman wore a pin of tiny gold feet, which she said was a mold of an embryo's feet at 10 weeks. Two tall, heavyset, bald identical twins in their 50s, wearing stickers that said "Twins for North, Bob" and "Twins for North, Bill," shook hands with Betsy North.

Mr. North, late for his next event, flashed his temper when a press aide tried to get him to do a short interview. Finally, he succumbed, barking at a reporter, "Fire!"

Asked about the morality bickering, he snapped: "The first thing he does is fire a personal shot at me. I was a Marine. I don't know what Chuck Robb did in the war, but I learned one thing: You don't sit under enemy incoming. I'll match my character and integrity against anyone up there and anybody running in this race. End of statement. Next?"

Asked about Mrs. Robb's comment that he cannot play God, he said: "I'm not playing God. Then you would have to ask Mr. Robb what great moral principle he was upholding in a hotel room in New York or parties on the beach. I was trying to save the lives of Americans who were being tortured to death in the dungeons in Beirut."

He looked disgusted when he was asked if he found anything likable in Mr. Robb: "I find very little about Chuck Robb that I could admire."

As for President Bill Clinton's speech on morality and family values, Mr. North pronounced himself "flabbergasted."

"This man has obviously no depths to which he will not fall," he said.

He called Mr. Clinton the worst president the country has ever had, asserting that even other mediocre ones "wouldn't think of sending soldiers, sailors, airmen and Marines to take an island called Haiti just to improve their poll numbers."

SWEDEN: *Vote on Sunday*

Continued from Page 1

as a way to offset spending cuts, although critics have attacked his plans to increase some tax rates.

But if the industrialists' counsel has tempered some of Mr. Carlsson's views, it has not set well with many voters.

"There are a lot of people who want to go back to what we had before, and they are disappointed the Social Democrats are not promising to do that," said Olof Santesson, an editor of Dagens Nyheter, one of Stockholm's main newspapers.

A month ago, polls showed voters prepared to give the Social Democrats at least half the ballots cast, suggesting that Mr. Carlsson might win a parliamentary majority outright for the first time in three decades. Today, polls give them 44 percent of the vote, still the largest bloc among Sweden's seven parties, but not enough to govern without the help of a coalition partner.

To secure control of more than half the votes in Sweden's 349-seat Riksdag, or Parliament, Mr. Carlsson is most likely to seek a partner near the middle of the political spectrum — like the centrist Liberal Party, which is currently a member of Mr. Bildt's government — rather than among his more traditional allies on the left.

It is not only economic imperative pushing the Social Democrats toward the center, but also European politics. Swedish voters are scheduled to go to the polls again in November to decide whether to endorse Sweden's candidacy for the European Union.

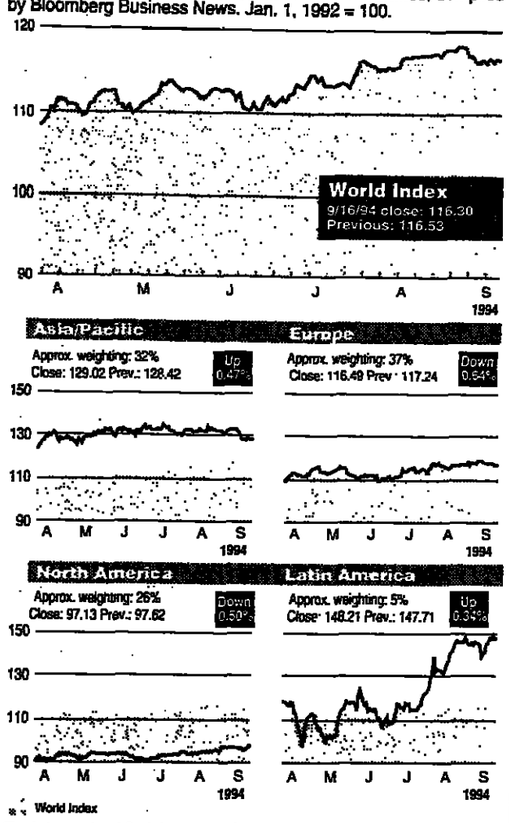
Mr. Carlsson and Mr. Bildt both endorse membership. But the Green Party and the Left Party are opposed, which means that Mr. Carlsson cannot realistically ask them to join a coalition should they earn enough seats to get into Parliament.

Public opinion surveys suggest that the Greens are undergoing a political resurgence, fueled in part by voters who have deserted the Social Democrats, either because of their cautious approach to welfare, or their endorsement of the European Union.

Meanwhile, pre-election surveys suggest that Mr. Bildt's former coalition, which took more than half the votes in the last Parliament, is likely to win just more than 40 percent of the seats.

THE TRIB INDEX: 116.30 Down 0.26%

International Herald Tribune World Stock Index ©, composed of 280 internationally investable stocks from 25 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



World Index

The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Argentina, Australia, Austria, Belgium, Brazil, Canada, Chile, Denmark, Finland, France, Germany, Hong Kong, Italy, Mexico, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and Venezuela. *For Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization, otherwise the ten top stocks are tracked.*

Industrial Sectors

	Fri. close	Prev. close	% change		Fri. close	Prev. close	% change
Energy	115.28	115.69	−0.35	Capital Goods	119.21	119.32	−0.09
Utilities	130.49	130.03	+0.35	Raw Materials	136.40	135.84	+0.41
Finance	115.43	115.50	−0.06	Consumer Goods	103.49	104.35	−0.82
Services	122.18	122.27	−0.07	Miscellaneous	136.35	135.49	+0.63

For more information about the Index, a booklet is available free of charge.
Write to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

Recovery At Italian Leader

Debt Reduction Aids Montedison

Compiled by Our Staff From Dispatches

MILAN — Montedison SpA, the Italian industrial giant brought close to bankruptcy last year, announced Friday it had a pretax profit in the first half of 1993 and cut its debt nearly 30 percent.

The food-to-chemicals company said it earned 289 billion lire ($184 million) before taxes, compared with a 369 billion lire loss in the same period last year. Its debts fell to 11.43 trillion lire from 15.84 trillion. Revenue were little changed at 10.25 trillion lire.

The company said a buoyant performance by its chemicals business was behind the better industrial result, while the drop in the debt was due to capital increases called late last year and some asset sales.

It said the performance in July and August suggested the second half of the year would be better than the first.

The stock market reacted bullishly to the numbers, driving the company's stock to 1,420 lire, up from 1,380 lire on Thursday.

Most analysts see the company breaking even in 1994 after losing a combined 3.05 trillion lire in the previous two years.

Montedison, the industrial arm of the Ferruzzi Finanziara SpA, had to turn to its bankers for help in mid-1993 when Ferruzzi said it could not keep up debt payments. Both companies taken over by creditor banks, which replaced the Ferruzzi family.

Montedison controls Eridania-Béghin-Say SA, a Paris-based sugar company, and Edison SpA, Italy's largest private electricity generator, as well as a variety of chemical operations in Italy and abroad.

(Reuters, Bloomberg)

Captains of the Airwaves?

2 Modern Media Barons Courting NBC

Los Angeles Times Service

LOS ANGELES — When the government forced the major studios out of the movie-theater business in the 1940s and the major television networks out of the program-production business in the 1970s, who would have guessed that media moguls would wind up consolidating more power than ever?

Gerald M. Levin of Time Warner Inc. and Michael D. Eisner of Walt Disney Co. already rule over kingdoms bigger than their predecessors could have imagined. Now, with talk that one of the two companies may acquire NBC, there is the chance to add the penetrating reach of a broadcast television network to a collection of assets that includes film, cable television, music, theme parks, exhibition, publishing and video.

It is a measure of changing attitudes that no one is screaming bloody murder over their latest skyscraper-sized vertical integration moves. Most people assume that Time Warner, as a cable operator, can clear the regulatory hurdles in the way of an NBC deal. Disney's path is even less cluttered, since it is not in the cable-system business. In light of their discussions with NBC's parent, General Electric Co., the definition of a media mogul is being redefined.

At the height of his power, Louis B. Mayer of Metro-Goldwyn-Mayer dominated only one medium — movies. Time Inc.'s Henry Luce had only publishing. Others added a few pieces. The former CBS chairman, William Paley, ran CBS TV, Radio and Records, and David Sarnoff linked NBC's programming to the manufacture of radios and televisions through RCA Corp.

Those titans exercised power visibly and forcefully, often because they were owners. They also operated in an uncrowded media environment, at the dawn of the modern communications era. But in today's fragmented world — where movies compete with network television, which competes with cable, which competes with video games, which compete with music — Mr. Levin and Mr. Eisner are among the rare breed of executives with full reach.

As a music manufacturer, Time Warner sold a staggering 300 million compact disks and cassettes worldwide last year by artists as varied as Eric Clapton, Naughty by Nature, Enya and George Gershwin.

On top of that, Mr. Levin's Time Warner controls 20 percent of U.S. magazine advertising revenue with such perennials as Time, People and Sports Illustrated, 14.6 percent of the domestic box office with such movies as "Natural Born Killers," eight-and-a-half hours of prime-time network programming with such shows as "Full House," the pay channel HBO, Six Flags amusement parks and part of CNN. It also has 9 million cable subscribers.

Mr. Eisner's business is more entertainment-based but no less visible. It is possible for a child to go to bed in Disney's "Aladdin" pajamas, wake up and watch the Disney Channel's "Gummi Bears," pack a Mickey Mouse lunch box for school, dress in a Disney Mighty Ducks T-shirt, spend the afternoon watching Disney cartoons or listening to the best-selling "Lion King" sound track and go to sleep with a Disney bedtime story such as "Pinocchio."

Mr. Eisner has a higher profile than Mr.

See MEDIA, Page 10

IBM to Delay PowerPC Units Until Next Year

Compiled by Our Staff From Dispatches

NEW YORK — International Business Machines Corp. said Friday that it was delaying the launch of personal computers based on the PowerPC chip, until sometime next year.

The delay points up problems in IBM's alliance with Apple Computer Inc. and Motorola Inc. for a computer standard based on the new chip.

The two desktop and one laptop machines, which were to have been released next month, are the first from IBM to use a new internal design since the company's original PC in 1981.

"We've decided to take a phased rollout approach," Peter Thonis, a company spokesman, said. "We will introduce the systems gradually and make a general availability announcement when the timing is right," he said, adding, "We expect announcement of general availability will be made in 1995."

The delay, while praised by analysts as economically smart, is embarrassing because Apple Computer has been selling machines based on the PowerPC chip since March.

Some analysts attributed the postponement to a lack of software for the new computers. IBM itself does not have its OS-2 operating system ready for the PowerPC chip.

The chip was designed jointly by IBM, Apple and Motorola. It is meant to challenge the industry dominance of Intel Corp. and Microsoft Corp.

IBM said that it is shipping and will continue to ship models of the PowerPC systems to corporate developers and independent software developers.

(Reuters, AP)

■ **Apple Opens Mac System**

In a major departure from past policy, Apple said Friday that it would license its Macintosh operating system to other personal computer-makers, Reuters reported from Cupertino, California.

Apple said it would first license its core Macintosh operating system and elements of its PowerPC reduced-instruction-set computer hardware architecture.

Analysts have said Apple should end its proprietary policies, arguing that it would be better-off with a smaller share of a much-larger market.

Electronics Outlook Brightens in Japan

By Steven Brull
International Herald Tribune

TOKYO — In the latest sign that Japan's economy is slowly on the mend, Japan's electronics industry association said Friday that its members would produce 2.2 percent more goods this year than last, a growth rate three times that anticipated just nine months ago.

But the new estimate, which takes annual production to 21.5 trillion yen ($216.2 billion), has more to do with overseas demand for personal computers and computer-related products overseas than growth at home.

Production of consumer electronics, meanwhile, is expected to contract by 8.9 percent this year. That is nearly three times the decline foreseen earlier, and largely reflects the yen's 13 percent rise against the dollar so far this year.

"These numbers say more about the recovery of demand in the United States and Europe and the short-term impact of tax cuts in Japan," said Steven Myers, an electronics analyst at Jardine Fleming Securities. "This economy hasn't really gotten into gear yet, and most companies depend on domestic sales for the majority of their sales."

Still, the growth is being reflected in increased earnings projections for Japan's big electronics companies, albeit from low levels last year. NEC Corp., Japan's top maker of semiconductors and personal computers, has raised its profit forecast by 20 percent, to 60 billion yen, for the year through March.

■ **U.S.-Japan Flash-Chip Plant Opens**

Fujitsu and Advanced Micro Devices Inc. said Friday they had opened the world's largest factory for flash-memory chips, the Associated Press reported from Tokyo.

Unlike other kinds of memory chips, flash chips maintain data without power.

China Sees Price Danger

The Associated Press

BEIJING — The State Statistical Bureau said Friday that fast-rising industrial output, retail sales and inflation had put China's economy on the verge of a danger zone.

The bureau said the consumer price index rose 25.8 percent in August on the year, up slightly from the 24.2 percent in July.

Prices rose on farm-product shortages, strong income and adjustments in grain and oil prices, it said.

ECONOMIC SCENE

Inflation: When You Should Worry

By Peter Passell
New York Times Service

NEW YORK — "Stock up on canned sardines and ammo for the deer rifle, mama, and spend those greenbacks while you can." Inflation hysteria has not yet brought survivalists out of the woodwork, and news this week that consumer prices rose at a rate of less than 4 percent a year in August may keep them there a while.

But as Van Doorn Ooms, chief economist for the Committee for Economic Development, said, "there's an edginess out there" that is rubbed rawer by every ambiguous government inflation report.

The most sensible view, many economists have said, is that while the U.S. economy is operating near the limits of noninflationary growth, price changes to date reflect little more than the recovery of profitability in commodities and other cyclical industries. The tricky moment will come if and when wages begin to catch up: "I'm amazed it has taken so long," Robert J. Gordon of Northwestern University said.

The inflation scare of the month was the unexpected jump by 0.6 percent in August of producer, or wholesale, prices. That followed a 0.5 percent increase in July, implying that the annual rate was approaching 7 percent.

A closer look reveals that much of the inflation has been in raw materials, whose prices have been depressed for much of the last decade. "It's classic," said David Hale, an economist at Kemper Financial Group. "First commodity prices rise, then intermediate goods, then finished products."

That is not only classic but desirable, Richard Cooper of Harvard University said. Producers of everything from aluminum ingots to paper have to be highly profitable on the up side of the business cycle to compensate for anemic margins or losses on the down side.

Once unemployment is below the natural rate, the inflation tiger is fated to chase its tail at ever-increasing speed.

By the same token, if demand does not continue to grow faster than the capacity, producer prices should level off.

So why is everyone so touchy? Remember, for starters, that bond dealers are obsessed with price indexes because inflation puts downward pressure on bond prices.

While cyclical prices increases do not bother economists, the prospect of an inflationary spiral — one that is self-reinforcing and independent of actual shortages — surely does.

According to the so-called natural-rate hypothesis, competition ordinarily prevents workers from making wage demands in excess of productivity gains.

But once markets become overheated, producers pass rising costs on to buyers. Disturbingly, this process is not self-limiting; once unemployment is below the natural rate, the inflation tiger is fated to chase its tail at ever-increasing speed.

Alan S. Blinder, the new vice chairman of the Federal Reserve Board, said earlier this month that no one really knows what the natural employment rate is. Hence the Fed must make trade-offs between the risk of embedding expectations of inflation and the risk of accepting unnecessarily high unemployment.

That restatement of what most economists consider obvious apparently did not win Mr. Blinder any friends among those accustomed to Fed governors who talk about inflation as if it were a mortal sin. But that trade-off truly is the primary task of the Fed — and one that could become increasingly difficult in coming months.

As Mr. Hale of Kemper said, world markets for commodities are likely to continue to tighten because of the European economic recovery and boom in East Asia. What is more, labor may begin to flex its atrophied muscles.

Most business cycles, it seems, end in a flurry of shortages and a screech of the monetary brakes. If history is any judge, said Charles Schultze, an economist at the Brookings Institution, "we'll probably do it again."

That is a long way from saying, though, that inflation is a clear and present danger.

High Noon in Sky: United vs. Southwest

By Adam Bryant
New York Times Service

NEW YORK — In a high-stakes confrontation that could shape the future of the U.S. domestic airline industry, United Airlines is about to battle Southwest Airlines for the skies of the West.

While carriers such as America West and Alaska Airlines will be caught up in the battle, it is the contest starting Oct. 1 between the new Shuttle by United, and Southwest, a smaller but perennially profitable and influential carrier, that will be watched by other airlines and the travel industry.

United and other big carriers such as USAir and Continental have decided that they can reduce their costs by creating airlines within their airlines that offers low fares, few frills and frequent service.

It is unabashedly modeled after Southwest, the pioneer of this strategy and keeper of the healthiest balance sheet in the industry. Until now, no major carrier has confronted Southwest at its own game as directly as United.

The outcome will affect how quickly low-fare service spreads to other routes.

United has spent months preparing for this battle, and has added its own refinements:

- It has decided to offer assigned seating in contrast to Southwest's open seating.
- United will become the first airline to board passengers holding window seats first, a move it says will help get its planes off the ground quickly.
- When a plane arrives at its gate, baggage will come off at the same time new baggage is loaded.

United employees will spend most of this month on Los Angeles-to-Sacramento flights, boarding and loading a Boeing 737-300 over and over again to fine tune the procedures, which the airline says will shave about 15 minutes from the average 35 minutes the planes are on the ground.

Over the years, Southwest has made profit rather than market share its primary goal. The carrier will presumably defend its California turf, which makes up 14 percent of its system.

United has drastically simplified its air-fare structure for the Shuttle, offering one fare for each coach seat on every flight on the eight routes on which it will begin the service. By December, it will add six more routes.

The price of a one-way, walk-up coach fare from San Francisco to Los Angeles is dropping from $138 to $89; from San Francisco to Seattle, down from $218 to $139, and from San Diego to San Francisco, down from $128 to $69.

Southwest's current one-way, walk-up fare between San Diego and San Francisco is $69, from Los Angeles to Oakland is $69 and from Oakland to Seattle is $89.

This is not the first time that airlines have fought over California. In the 1960s through the 1980s, regional carriers such as AirCal and PSA touched off fare wars by selling some tickets as low as $19. In 1987 American

See AIR, Page 11

CURRENCY & INTEREST RATES

Cross Rates

Sept. 16

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.722	2.7205	1.1212	0.3279	0.1198 *	—	5.4475 *	1.25	1.344 *	1.274	1.25 *
Brussels	31.015	49.945	20.579	6.0145	2.1575 *	18.3475	—	24.7825	0.3212	22.67	24.86 *
Frankfurt	1.5494	2.4484	—	0.2925	0.1044 *	0.892	4.8577 *	1.2042	1.5618 *	1.1475	1.285 *
London (b)	1.5862	—	2.4801	0.2995	2.457.18	2.7285	49.903	2.0136	156.205	2.1396	282.15
Madrid	128.399	201.265	82.972	24.257	8.72 *	74.014	4.0071	99.999	129.474 *	95.16	—
Milan	1,542.89	2,448.58	1,008.43	295.34	—	988.44	48.841	1,216.58	15.752	1,157.70	12.164
New York (b)	—	1.579 (a)	1.5465	3.281	1,648.80	1.7299	31.74	1.382	98.95	1.3503	128.15
Paris	5.291	8.3935	3.4591	—	0.3387 *	3.0609	0.1663	4.1287	5.3353 *	3.9713	4.12 *
Tokyo	99.30	155.31	64.13	18.77	6.636	57.28	3.1187	77.25	—	73.39	0.7739
Toronto	1.3533	2.1347	0.8741	0.2557	0.0904 *	0.7805	0.4254 *	1.0534	1.3626 *	—	1.054 *
Zurich	1.28	2.0176	0.8308	0.2431	0.0822 *	0.7412	4.0341 *	—	1.2943 *	0.9496	1.0000*
1 ECU	1.2386	0.7902	1.3167	6.5532	1,934.74	2.1487	39.4513	1.5903	122.828	1.6712	159.05
1 SDR	1.4634	0.9343	2.2673	7.7426	2,285.88	2.5386	46.6809	1.8833	145.267	1.982	187.923

Closings in Amsterdam, London, New York, Toronto and Zurich, fixings in other centers.
*a: To buy one pound; b: To buy one dollar; *: Units of 100; N.O.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9994	Greek drac.	233.05	Mex. peso	3.394	S. Afr. rand	3.5548
Austral. $	1.3441	Hong Kong $	7.7268	N. Zealand $	1.6565	S. Kor. won	799.80
Austr. schil.	10.888	Hung. forint	108.03	Norw. krone	6.7855	Swed. krona	7.48
Brazil real	0.91	Indian rupee	31.25	Phil. peso	25.40	Taiwan $	26.22
Chinese yuan	8.5234	Inda. rupiah	2176.04	Polish zloty	22948.	Thai baht	25.95
Czech koruna	27.91	Irish £	0.6491	Port. escudo	157.41	Turkish lira	33889.
Danish krone	6.0996	Israeli shek.	2.032	Russ. ruble	2301.00	UAE dirham	3.6727
Egypt. pound	3.0382	Kuwaiti dinar	0.3001	Saudi riyal	3.75	Venez. boliv.	195.00
Fin. markka	4.953	Malay. ringg.	2.5577	Sing. $	1.4842		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.5658	1.5648	1.5638	Canadian dollar	1.3494	1.3498	1.3502
Deutsche mark	1.5462	1.5462	1.5462	Japanese yen	99.03	98.79	98.56
Swiss franc	1.2858	1.2870	1.2880				

Sources: ING Bank (Amsterdam); Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Agence France Presse (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from Reuters and AP.

Eurocurrency Deposits

Sept. 16

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1 month	4⅜-4⅞	4⅞-5	3⅛-3⅞	5 ⅛-5 ⅜	2 ⅛-2 ⅜	2 ⅛-2 ⅜	5⅛-5⅜
3 months	4 ⅝-5 ⅛	4 ⅝-5 ⅛	3⅞-4	5 ⅝-5 ⅞	5⅛-5⅜	2⅛-2⅜	5 ⅛-5 ⅜
6 months	5 ⅛-5 ⅜	5⅛-5¼	4 ⅛-4 ⅜	6 ⅛-6 ⅜	5 ⅝-5 ⅞	2⅛-2½	6 ⅛-6 ⅜
1 year	5⅞-6	5½-5⅞	4⅞-4¾	7⅛-7⅜	6 ⅛-6 ⅜	2⅝-2¾	6 ⅛-6 ⅜

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev.
Discount rate	4.00	4.00
Prime rate	7¾	7¾
Federal funds	4 ⅝	4 ⅝
3-month CDs	4.44	4.44
Comm. paper 180 days	5.10	5.15
3-month Treasury bill	4.61	4.59
1-year Treasury bill	5.49	5.31
2-year Treasury note	6.37	6.24
5-year Treasury note	7.11	6.94
7-year Treasury note	7.14	6.96
10-year Treasury note	7.50	7.33
30-year Treasury bond	7.77	7.63
Merrill Lynch 30-day Ready asset	4.00	3.99
Japan		
Discount rate	1¾	1¾
Call money	2.09	2.25
1-month interbank	2 ⅛	2½
3-month interbank	2 ⅛	2¼
6-month interbank	2⅝	2⅝
10-year Government bond	4.57	4.54
Germany		
Lombard rate	6.00	6.00
Call money	4.95	4.95
1-month interbank	5.05	5.00
3-month interbank	5.10	5.10
6-month interbank	5¼	5¼
10-year Bund	7.66	7.53

Britain		
Bank base rate	5¾	5¾
Call money	5 ⅛	5⅛
1-month interbank	5 ⅛	5 ⅛
3-month interbank	5 ⅛	5⅛
6-month interbank	6⅛	6⅛
10-year Gilt	8.89	8.81
France		
Intervention rate	5.00	5.00
Call money	5 ⅛	5 ⅛
1-month interbank	5 ⅛	5 ⅛
3-month interbank	5½	5½
6-month interbank	5 ⅝	5 ⅝
10-year OAT	8.17	8.07

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo Commerzbank, Greenwell Montagu, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	388.15	390.25	+2.25
London	388.25	390.00	+2.00
New York	392.00	393.60	+1.70

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (December).
Source: Reuters.

MARKET DIARY

Dollar Breaks Free Of Swooning Bonds

Foreign Exchange

Bloomberg Business News

NEW YORK — The dollar fell against major currencies here Friday — following bonds lower — but came off the floor late in the trading day with a surprising show of strength.

Bonds suffered their biggest one-day loss in almost five months after the Federal Reserve Board said U.S. factories, mines and utilities operated at 84.7 percent of capacity in August, the highest level since 1989. The Fed said plant use has risen for 15 months, spurring fears of inflation.

Late in the day, he dollar rebounded amid speculation — apparently unfounded — that the Fed was moving in to support it. However, banks that do business with the Fed said the central bank made no purchases Friday.

The dollar touched a low of 98.56 yen, but closed at 98.95, down from Thursday's closing price of 99.45 yen.

The U.S. currency fell as low as 1.5315 Deutsche marks before closing at 1.5445 DM. It closed Thursday at 1.5493 DM.

"If the dollar hasn't bottomed yet, it's close," said Marc Chandler, director of research at Ezra Zask Associates.

"A lot of people are shocked at the strength of the economy and the inflation that goes along with it," said David Durst, a currency-options trader at Bear Stearns & Co.

For many traders and analysts, Friday's report confirmed the notion that the Fed has not raised interest rates far or fast enough to control inflation, which erodes the value of U.S. fixed-income investments, such as bonds.

"Strange though it seems, what the dollar needs is weaker figures," said Nick Parsons of Canadian Imperial Bank of Commerce in London.

The British pound rose to $1.5790, from $1.5620. The U.S. currency fell to 5.281 French francs, from 5.2915, and slipped to 1.2820 Swiss francs, from 1.2860.

MARKETS: *Worldwide Slump*

U.S. Stocks

Continued from Page 1

Paris market turned in the worst performance. They said that among the major European economies, France's remains the weakest.

"The perception in the market is that France needs an interest rate cut not a rise," said Mr. Hartwill. He and others now see hope of any further cuts in French interest rates as remote, at best.

In Britain and in the United States, where the economic upswing started earlier, the prospect of rising interest rates to choke off inflation is disappointing but not necessarily disastrous. On the Continent and in Japan, the prospect of tighter money poses a far greater threat.

Mr. Grubb said, "In Europe and Japan these economies have just limped out of their worst recession in decades and already some people are looking for the peak in the economic cycle."

In spite of turmoil Friday in the markets, most economists remain convinced that moderate economic growth with low inflation remains likely for Europe and even for faster-growing America. Investors, however, do not share that optimism.

U.S. stocks followed a plunge in bonds as the factory use report reignited concern the economy may be growing too fast and might sparke another U.S. rate rise.

Friday was also the so-called triple-witching day, when options and futures on stocks and stock indexes expired concurrently. Trading was active, with 410.6 million shares changing hands, the second most active day this year. Decliners led advancers 2 to 1.

Wal-Mart Stores, which closed down ⅜, at 24⅞, was the most-active U.S. issue. The company on Friday announced expansion plans.

General Motors, which fell 1⅛, to 50½, was the biggest loser among the Dow stocks during much of the day.

ITT rose 1⅞, to 82, after the company announced it was seeking offers for its ITT Financial Corp. subsidiary.

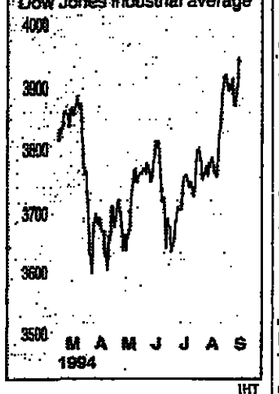
Intel fell ⅛, to 66⅞. VLSI Technology fell 13/16, to 11½ after the semiconductor maker's earnings projections were cut by Bear Stearns.

IBM closed 1¼ higher, at 71, after an analyst at Goldman Sachs raised his rating.

Microsoft slipped 1⅛, to 56⅞ on news that Apple Computer would license the Macintosh software operating system. Apple rose ⅜, to 36⅜.

(AP, Bloomberg)

Via Associated Press Sept. 16



IHT

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
WalMart	53849	25⅛	24¾	24⅞	—⅜
IBM	48432	71⅜	69¾	71	+1¼
Ford s	48030	28⅞	28⅜	28⅝	—½
AT&T	44448	55⅛	54¼	54⅝	—¼
Merck	41171	34⅜	33¾	34¼	...
GenEl s	40525	51¼	50⅝	51	—⅜
Hanson	38954	19⅛	18¾	19	+⅛
GnMotr	37575	51	50½	50½	—1⅛
CocaCl	37115	48	47½	47¾	—⅜
Compaq s	33598	37¾	37	37¼	+⅜
Show s	32072	15⅝	14¼	15⅛	+1
PhilMr	30580	60	59¼	59¾	—⅜
Exxon	28800	59	58⅞	58⅞	—⅛
GTE	27085	30⅜	30¼	30½	...
Chrysir	27084	47¾	47	47	—1

NASDAQ Most Actives

	Vol.	High	Low	Last	Chg.
Intel	52676	67⅞	66	66⅞	—⅛
VLSI	50936	12⅜	11¼	11½	—¹³⁄₁₆
Cisco s	34773	27	25⅞	26½	—½
McCaw	33181	54⅞	54⅛	54¾	+⅛
Micsft s	32783	58⅛	56¾	56⅞	—1⅛
AppleC	32425	37¼	35½	36⅜	+⅜
3Com s	31882	36⅞	33⅞	36¼	+1⅞
Topps	31568	6⅝	6⅛	6⅝	—⅛
MCI	28196	25	24⅝	24¾	—¼
DellCptr	27395	38⅛	35⅝	37⅝	+1¼
Informix	24534	23¾	22¼	23½	+⅞
Novell	23748	15⅝	15¼	15⁵⁄₁₆	—⅛
TelCmA	21424	22⅞	22⅜	22⅝	—¼
Methanx	20822	18½	18⅛	18¼	—⅛
StrucD	19872	5	4½	4¹¹⁄₁₆	—⁵⁄₁₆

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
SwnLife	16225	6½	5⅞	6⅛	+⅜
Amdhl	7075	9⅛	9	9⅛	—⅜
EchoBay	6327	13	12⅝	12¾	+⅛
InterDig	5799	4	3¹⁵⁄₁₆	4	+¹⁄₁₆
SPDR	5713	47¹⁹⁄₃₂	46²⁷⁄₃₂	47¹¹⁄₁₆	—⁷⁄₁₆
SolPhib	4253	4¹⁄₁₆	4¹⁄₁₆	4⅛	...
GayICn	3356	8¼	7¾	8½	+⅛
XCL Ltd	3159	1⅛	1¹⁄₁₆	1⅛	—¹⁄₁₆
ENSCO s	3115	16¾	15½	16⅜	+⅝
TopSrce	3077	7⅝	7⅜	7½	...

Market Sales

	Today Close	Prev. cons.
NYSE	410.69	340.07
Amex	18.61	20.16
Nasdaq	301.88	298.23

In millions.

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	3915.86	3953.88	3912.83	3933.35	—20.53
Trans	1571.16	1576.68	1563.80	1566.33	—10.12
Util	178.22	179.74	177.23	177.23	—2.51
Comp	1317.70	1327.59	1314.84	1318.69	—8.90

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	560.83	555.21	557.02	—3.81
Transp.	376.75	373.20	374.08	—2.67
Utilities	153.26	151.40	151.40	—1.86
Finance	45.85	45.38	45.42	—0.43
SP 500	474.81	470.06	471.19	—3.62
SP 100	442.00	436.92	438.21	—3.82

NYSE Indexes

	High	Low	Last	Chg.
Composite	261.42	259.09	259.77	—1.65
Industrials	327.18	324.19	325.32	—1.86
Transp.	243.02	240.92	241.47	—1.54
Utility	206.06	203.97	204.16	—1.90
Finance	215.56	213.96	214.09	—1.47

NASDAQ Indexes

	High	Low	Last	Chg.
Composite	776.93	774.27	776.93	—1.73
Industrials	784.22	781.07	783.69	—1.16
Banks	788.76	786.25	786.25	—1.06
Insurance	949.30	946.58	946.58	—1.35
Finance	967.64	962.91	964.70	—1.18
Transp.	734.00	731.17	733.43	—2.38

AMEX Stock Index

High	Low	Last	Chg.
460.47	458.18	459.86	+0.12

Dow Jones Bond Averages

	Close	Ch'ge
20 Bonds	97.08	—0.49
10 Utilities	92.73	—0.48
10 Industrials	101.43	—0.51

NYSE Diary

	Close	Prev.
Advanced	738	1529
Declined	1413	625
Unchanged	728	710
Total issues	2879	2864
New Highs	50	66
New Lows	84	40

AMEX Diary

	Close	Prev.
Advanced	255	328
Declined	318	233
Unchanged	250	232
Total issues	823	793
New Highs	15	17
New Lows	14	5

NASDAQ Diary

	Close	Prev.
Advanced	1654	1699
Declined	1506	1339
Unchanged	1905	2036
Total issues	5065	5074
New Highs	143	155
New Lows	54	47

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.719	0.704
Copper electrolytic, lb	1.24	1.24
Iron FOB, ton	213.00	213.00
Lead, lb	0.40	0.40
Silver, troy oz	5.49	5.40
Steel (scrap), ton	110.17	110.17
Tin, lb	3.5648	3.5992
Zinc, lb	0.4882	0.4882

EUROPEAN FUTURES

Metals

	Close Bid	Close Ask	Previous Bid	Previous Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1585.00	1586.00	1552.00	1553.00
Forward	1608.00	1609.00	1576.00	1577.00
COPPER CATHODES (High Grade) Dollars per metric ton				
Spot	2489.00	2490.00	2471.00	2472.00
Forward	2507.00	2508.00	2487.00	2488.00
LEAD Dollars per metric ton				
Spot	621.00	622.00	619.00	621.00
Forward	634.00	635.00	631.00	633.00
NICKEL Dollars per metric ton				
Spot	6425.00	6430.00	6350.00	6360.00
Forward	6520.00	6525.00	6450.00	6460.00
TIN Dollars per metric ton				
Spot	5260.00	5265.00	5240.00	5250.00
Forward	5335.00	5340.00	5315.00	5330.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1010.00	1011.00	992.00	993.00
Forward	1032.00	1033.00	1014.00	1014.50

Financial

	High	Low	Close	Change
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct				
Sep	94.19	94.15	94.16	—0.01
Dec	93.31	93.19	93.20	—0.07
Mar	92.46	92.25	92.27	—0.16
Jun	91.89	91.67	91.69	—0.17
Sep	91.48	91.28	91.28	—0.18
Dec	91.15	90.96	90.97	—0.15
Mar	90.87	90.74	90.71	—0.15
Jun	90.68	90.51	90.52	—0.15
Sep	90.53	90.43	90.42	—0.14
Dec	90.44	90.41	90.31	—0.13
Mar	90.33	90.30	90.20	—0.13
Jun	90.23	90.20	90.10	—0.13
Est. volume: 68,769. Open int.: 539,361.				
3-MONTH EURODOLLARS (LIFFE) $1 million - pts of 100 pct				
Sep	94.96	94.95	94.92	—0.04
Dec	94.31	94.29	94.22	—0.08
Mar	N.T.	N.T.	93.82	—0.13
Jun	N.T.	N.T.	93.47	—0.13
Sep	N.T.	N.T.	93.17	—0.14
Est. volume: 548. Open int.: 7,208.				
3-MONTH EUROMARKS (LIFFE) DM1 million - pts of 100 pct				
Sep	94.95	94.89	94.90	—0.04
Dec	94.77	94.67	94.67	—0.07
Mar	94.37	94.22	94.24	—0.10
Jun	93.98	93.80	93.81	—0.13
Sep	93.67	93.48	93.49	—0.17
Dec	93.40	93.21	93.22	—0.17
Mar	93.18	93.00	93.02	—0.16
Jun	92.97	92.79	92.79	—0.15
Sep	92.73	92.61	92.64	—0.12
Dec	92.52	92.40	92.41	—0.15
Mar	92.39	92.27	92.26	—0.13
Jun	92.19	92.17	92.14	—0.13
Est. volume: 135,400. Open int.: 796,215.				
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct				
Sep	94.39	94.37	94.37	Unch.
Dec	94.00	93.93	93.94	+0.01
Mar	93.52	93.43	93.43	—0.03
Jun	93.14	93.05	93.06	—0.03
Sep	92.85	92.75	92.76	—0.06
Dec	92.60	92.52	92.52	—0.04
Mar	92.40	92.28	92.28	—0.09
Jun	92.22	92.09	92.09	—0.08
Est. volume: 53,709. Open int.: 201,224.				
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct				
Sep	100-09	99-08	99-02	—1-09
Dec	99-24	98-02	98-08	—1-13
Mar	N.T.	N.T.	97-20	—1-13
Est. volume: 78,828. Open int.: 115,627.				
GERMAN GOVERNMENT BUND (LIFFE) DM 250,000 - pts of 100 pct				
Dec	89.33	88.05	88.14	—1.18
Mar	88.20	87.62	87.34	—1.19
Est. volume: 162,674. Open int.: 137,258.				
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct				
Sep	112.36	111.30	111.38	—0.84
Dec	111.38	110.30	110.36	—0.88
Mar	110.66	110.54	109.66	—0.88
Jun	110.01	110.04	109.02	—0.88
Est. volume: 288,260. Open int.: 158,974.				

Industrials

	High	Low	Last	Settle	Ch'ge
GASOIL (IPE) U.S. dollars per metric ton-lots of 100 tons					
Oct	148.50	147.00	147.75	147.75	Unch.
Nov	151.50	150.00	150.75	150.50	Unch.
Dec	153.75	152.75	153.25	153.00	Unch.
Jan	155.25	154.50	155.00	155.00	+0.25
Feb	156.00	155.00	156.00	156.00	+0.75
Mar	156.00	155.00	155.75	155.75	+0.50
Apr	N.T.	N.T.	N.T.	154.25	+0.25
May	N.T.	N.T.	N.T.	153.00	Unch.
June	152.25	152.00	152.25	152.25	+0.25
July	N.T.	N.T.	N.T.	152.50	—0.50
Est. volume: 12,029. Open int. 101,746					
BRENT CRUDE OIL (IPE) U.S. dollars per barrel-lots of 1,000 barrels					
Oct	159.10	157.00	158.10	157.90	+0.13
Nov	160.50	158.80	159.80	160.00	+0.10
Dec	161.50	160.00	160.90	161.10	+0.08
Jan	162.10	160.60	161.60	161.60	+0.10
Feb	162.10	162.10	162.10	162.10	+0.10
Mar	163.00	162.50	163.00	163.00	+0.10
Apr	N.T.	N.T.	N.T.	163.30	+0.10
May	N.T.	N.T.	N.T.	163.60	+0.10
Jun	163.00	163.00	163.00	163.90	+0.10
Jly	N.T.	N.T.	N.T.	164.20	+0.10
Aug	N.T.	N.T.	N.T.	164.50	+0.10
Sep	N.T.	N.T.	N.T.	164.80	+0.10
Est. volume: 17,999. Open int. 125,327					

Stock Indexes

	High	Low	Close	Change
FTSE 100 (LIFFE) £25 per index point				
Sep	3130.0	3099.0	3108.5	—7.5
Dec	3136.0	3058.0	3058.0	—67.0
Mar	3111.0	3083.0	3081.0	—70.0
Est. volume: 30,051. Open int.: 61,286.				
CAC 40 (MATIF) FF200 per index point				
Sep	1996.00	1925.00	1926.00	—61.00
Oct	2001.50	1936.00	1935.50	—61.00
Nov	N.T.	N.T.	N.T.	Unch.
Dec	2022.50	1955.00	1954.50	—61.50
Mar	2020.50	2020.50	1982.50	—61.00
Jun	N.T.	N.T.	1976.00	—61.00
Est. volume: 34,938. Open int.: 63,678.				

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
Global Gv Plus	-	.11	9-30	10-14
Prudntl ConsMng	-	.065	9-23	9-30
Prudntl Strat Prt	-	.0525	9-23	9-30
Tri-Continental	-	.20	9-23	10-1
STOCK				
Monotron Inc	-	5 %	10-14	11-18
Mid Am Inc	-	10 %	10-20	10-31
INCREASED				
Mylan Labs	Q	.05	9-30	10-14
REGULAR				
Am Cap Comstock	Q	.0675	9-15	9-30
Am Cap Equity	Q	.042	9-15	9-30
Am Cap GrwInco	Q	.0675	9-15	9-30
Am Cap Harbor	Q	.15	9-15	9-30
Amer Fst REIT	Q	.375	9-30	10-31
AmerPrm Undr	Q	.22	9-30	10-14
BerkleyWR	Q	.11	9-28	10-11
CIGNA HI Inco	M	.075	9-28	10-10
Camden Prop	Q	.44	9-29	10-19
Circuit City	Q	.025	9-30	10-14
Danaher Corp	Q	.03	9-26	10-28
Df&Phlps Ut	M	.098	10-17	10-31
Fst Cent Finl	Q	.025	9-28	10-28
Franklin Mult Inco	M	.064	9-30	10-14
Franklin PrincMatr	M	.05	9-30	10-14
Franklin Univ	M	.067	10-14	10-31
General Electric	Q	.36	9-30	10-25
HI Yld Plus m	.0725	9-30	10-14	
Lioui Box	Q	.10	10-1	10-15
Macmillan Bloedel	g	.15	11-15	12-15
Masotech	Q	.03	10-14	11-21
NAC Re Corp	Q	.04	9-28	10-12
NYMAGIC Inc	Q	.10	9-30	10-11
Natl Fuel Gas Co	Q	.395	9-30	10-15
Pope&Talbot Inc	Q	.19	11-7	11-15
Quaker Chem	Q	.155	10-14	10-30
Seligmn QualMuni	M	.0782	9-23	9-27
Seligman SelMuni	M	.07	9-23	9-27
Sthn NewEng Tel	Q	.44	9-26	10-15
Sun Dist A	M	.0916	9-30	10-31
Sun Dist B	M	.02	9-30	10-31
TCBY Enterprise	Q	.05	9-26	10-11
Westco Bcp	Q	.125	9-30	10-14
Zapata Corp	-	.035	9-30	10-14

a-annual; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

U.S./AT THE CLOSE

Hewlett-Packard to Cut Its PC Prices

PALO ALTO, California (Reuters) — Hewlett-Packard Co., in a move that is bound to trigger a computer-price war as the fall buying season approaches, said Friday it was cutting prices of its line of desktop PCs as much as 20 percent.

The cuts affect the HP Vectra line. They range from 5 percent at the low end of the Vectra line to 20 percent on higher end. A low-end Vectra, for example, will sell for about $1,380.

H-P is the largest printer maker and the second-largest computer system company after IBM, but in the PC market it ranked No. 8 at the end of 1993 in terms of shipments. Jacques Clay, general manager of H-P's global PC division, said rising volumes and falling prices on parts were behind the cuts.

Late last month, Compaq Computer Corp., International Business Machines Corp. and other companies slashed personal-computer prices, having geared up production to accommodate unfilled orders.

ITT Confirms Sale of Financial Unit

NEW YORK (AP) — ITT Corp. confirmed Friday that it had plans to try to sell its consumer and commercial lending business.

The operations up for sale, known as ITT Financial Corp., accounted for about $1.44 billion of the conglomerate's $22.8 billion in revenue last year. The company is keeping its ITT Hartford insurance business, which contributed $10 billion.

The confirmation came amid speculation that ITT was considering making an offer for the NBC television division of General Electric Co.

F. A. O. Schwarz to Emphasize Malls

WASHINGTON (Bloomberg) — F. A. O. Schwarz, the toy store famous for its gigantic Fifth Avenue store in Manhattan, will increase the number of its mall flagship stores to 30 in the next two years, Chief Executive John Eyler said Friday.

With Saturday's opening of a 12,500-square-foot (1,125-square-meter) store in Washington, and a similar one planned for a Virginia suburb next month, F. A. O. Schwarz continues its strategy of focusing on so-called mini-flagships, which are smaller than the giant stores in New York, Boston, Chicago, and San Francisco but larger than the company's 3,000-square-foot retail shops.

The company will open five new mall flagships by the start of the holiday shopping season, Mr. Eyler said. Meanwhile, it plans to cut the number of smaller retail stores to three or four by 1996 from 12 currently, he said.

Peru and Argentina Lead in Growth

SANTIAGO (Reuters) — Peru and Argentina will show the strongest economic growth in Latin America this year, although the region as a whole will fall slightly short of 1993 levels, the UN Economic Commission for Latin America and the Caribbean said.

Total Latin American economic growth this year is expected to reach 3.2 percent, compared with 3.4 percent in 1993.

Inflation in Latin America, excluding high-inflation Brazil, should fall to 16 percent from 19 percent in 1993, the report said.

For the Record

Ralphs Grocery Co. would enter the tough Southern California market under a plan of Yucaipa Cos. to buy Ralphs Supermarkets Inc. for $500 million in cash plus $1 billion in debt, and combine it with Food 4 Less Supermarkets Inc. *(Bloomberg)*

Media Vision Technology Inc. said G. Bradford Jones resigned as chairman of the company. *(Bloomberg)*

MEDIA: *2 Modern Moguls Court NBC as They Seek to Rule the Airwaves*

Continued from Page 9

Levin, so far, because he has been on the job longer and has taken over Uncle Walt's folksy role at Disney. They also have diametrically different personalities — with Mr. Eisner, 52, seeming the polished and uncomplicated leader of a pop-culture kingdom while Mr. Levin, 55, is so introverted he often seems to fade out of group photos. But both have put strong personal stamps on their companies, even if they have done it more subtly than former media chieftains such as Mr. Mayer, and Mr. Luce.

Mr. Levin is a former biblical literature student who came up through the cable ranks at Time Warner. It was because of his civil libertarian stance, however short-lived, that the controversy over the rapper Ice T's "Cop Killer" song raged as long as it did last year. Mr. Levin is also more attuned to the high-tech world of new media than his predecessor, Steve Ross.

Disney, on the other hand, reflects Mr. Eisner's colonization mentality, which has the company expanding into everything from new theme parks to retail outlets. Much of what it produces is the result of the middlebrow taste of Mr. Eisner.

A broadcast network would add immeasurably to those power bases. Even though cable has cut into their business, the major networks still provide the biggest direct line into American homes. A network can be used as a place to run studio-produced TV shows, movies and cross-promotions too numerous to imagine.

The road to empire-building does not end at NBC.

Alphandéry to Visit Wall Street

Agence France-Presse

PARIS — Economy Minister Edmond Alphandéry said Friday he would visit New York next week to counter negative comments on the French economy, as figures released Friday showed an outflow of long-term capital.

France's June current account showed a seasonally adjusted deficit of 417 million francs ($80.2 million) from a surplus of 1.14 billion francs in May.

Foreign investors had sold long-term French financial instruments heavily, the figures showed.

Mr. Alphandéry is to attend a Harvard Business Club luncheon and meet investors, bankers and economists. He will visit Chicago in October and San Francisco later.

WORLD STOCK MARKETS

Agence France Presse Sept. 16

Amsterdam

	Close	Prev.
ABN Amro Hld	59.50	59.90
ACF Holding	36.20	36.40
Aegon	96.50	97.50
Ahold	49.80	49.80
Akzo Nobel	206.80	210.90
AMEV	73	73.50
Bols-Wessanen	35.10	35.30
CSM	67.20	67.80
DSM	153.40	154.20
Elsevier	163.70	166
Fokker	16.20	16.50
Gist-Brocades	44.20	44.80
HBG	302	302
Heineken	238.10	240.70
Hoogovens	80.20	80.20
Hunter Douglas	78.90	78.50
IHC Caland	44.10	44.40
Inter Mueller	96	93.50
Int'l Nederland	76.50	77.20
KLM	48.40	49
KNP BT	51.50	50.70
KPN	54	53.60
Nedlloyd	64.30	64.80
Oce Grinten	74	74.90
Pakhoed	47.90	48.50
Philips	55.60	57
Polygram	74.30	75.60
Robeco	116.80	117.90
Rodamco	53	52.70
Rolinco	118.60	118.60
Rorento	82.30	82.20
Royal Dutch	192.20	194.20
Stork	45.20	45
Unilever	196.30	196.90
Van Ommeren	46.50	46.40
VNU	197	199
Wolters/Kluwer	119.50	120

EOE Index : 407.58
Previous : 411.41

Brussels

	Close	Prev.
AG Fin	2585	2615
Almanij	7720	7790
Arbed	4700	4700
Barco	2465	2430
BBL	4100	4090
Bekaert	25200	25425
CBR	12200	12275
CMB	2500	2490
CNP	1970	1980
Cockerill	200	200
Cobepa	5530	5530
Colruyt	7530	7560
Delhaize	1270	1290
Electrabel	5500	5510
Electrafina	3100	3100
GIB	1428	1440
GBL	4180	4170
Gevaert	9550	9540
Glaverbel	4650	4625
Immobel	3000	3090
Kredietbank	6340	6350
Mosane	1440	1440
Petrofina	10175	10175
Powerfin	2815	2800
Recticel	518	518
Royale Belge	4950	5000
Soc Gen Banque	8080	8080
Soc Gen Belgique	2230	2230
Sofina	13825	13900
Solvay	15000	14750
Tessenderlo	10200	10350
Tractebel	9780	9870
UCB	23900	24150
Union Miniere	2670	2675
Wagons Lits	N.A.	7040

Stock Exchange: 7395.17
Previous : 7375.55

Frankfurt

	Close	Prev.
AEG	161.20	165
Alcatel SEL	303	304
Allianz Hold	2412	2426
Altana	663	662
Aska	876	920
BASF	318.80	317.20
Bayer	362.70	361.50
Bay. Hypo bank	395	396
Bay Vereinsbk	435	431
BBC	735	710
BHF Bank	384	385.50
BMW	801	799
Commerzbank	314	311
Continental	239	237
Daimler Benz	813	806
Degussa	475.50	481
Dt Babcock	247	243.50
Deutsche Bank	703	702.50
Douglas	505	500
Dresdner Bank	398.50	394.50
Feldmuehle	298	303
F Krupp Hoesch	209	208.50
Harpener	344	343
Henkel	583	585
Hochtief	1026	1019
Hoechst	340.50	338.30
Holzmann	863	835
Horten	213	213
IWKA	364.50	365
Kali Salz	149.20	150.50
Karstadt	618	625.50
Kaufhof	515	521
KHD	130	126.50
Kloeckner Werke	144.50	144
Linde	892	907
Lufthansa	199	199
MAN	420	420
Mannesmann	416.50	409.50
Metallgesell	169	175
Muench Rueck	2800	2795
Porsche	775	765
Preussag	457.50	455.50
PWA	255.80	256
RWE	461	460
Rheinmetall	303	296
Schering	926	918
Siemens	670.50	671.90
Thyssen	298.50	297
Varta	307	302
Veba	541.50	537.40
VEW	358	355
Viag	508	507
Volkswagen	465.50	465
Wella	1037	1040

DAX Index : 2118.73
Previous : 2113.78
FAZ Index : [illegible]
Previous : [illegible]

Helsinki

	Close	Prev.
Amer-Yhtyma	109	107
Enso-Gutzeit	44.40	45.90
Huhtamaki	154	155
K.O.P.	10.40	10.40
Kymmene	136	135
Metra	154	155
Nokia	558	553
Pohjola	67	68
Repola	106	104
Stockmann	235	235

HEX General Index : 1908.02
Previous : 1897.43

Hong Kong

	Close	Prev.
Bk East Asia	34.60	34.30
Cathay Pacific	12.95	12.65
Cheung Kong	39.90	39.20
China Light Pwr	40.50	40.30
Dairy Farm Int'l	11.65	12.45
Hang Lung Dev	14.45	14.30
Hang Seng Bank	55.75	55
Henderson Land	49.10	47.60
HK Air Eng.	35.80	35.80
HK China Gas	15.15	15
HK Electric	25.60	25.35
HK Land	20.75	20.95
HK Realty Trust	20.80	20.80
HSBC Holdings	90.75	90
HK Shang Htls	12	11.80
HK Telecomm	16	15.75
HK Ferry	12.60	12.80
Hutch Whampoa	38.40	37.70
Hysan Dev	23.80	23.85
Jardine Math.	74.50	74.25
Jardine Str Hld	33.50	33.30
Kowloon Motor	16	16.20
Mandarin Orient	11.20	11.40
Miramar Hotel	20.15	20
New World Dev	28	27.50
SHK Props	60	58.75
Stelux	3.33	3.25
Swire Pac A	63.75	63.25
Tai Cheung Prps	11.10	11
TVE	4.20	4.23
Wharf Hold	33.20	33
Wheelock Co	17.80	17.45
Wing On Co Intl	11.70	11.80
Winsor Ind.	11.35	N.A.

Hang Seng Index : 9768.52
Previous : 9682.64

Johannesburg

	Close	Prev.
AECI	28.50	28.50
Altech	122	N.A.
Anglo Amer	242.50	245
Barlows	31.60	31.50
Blyvoor	10.50	10.75
Buffels	51	51
De Beers	109.25	109.25
Driefontein	70.50	69.75
Gencor	14.25	14.30
GFSA	129	127
Harmony	36.50	36.50
Highveld Steel	33.50	33.25
Kloof	69.75	69.50
Nedbank Grp	31.50	31.75
Randfontein	54	54.50
Rusplat	121	121
SA Brews	87	86.50
St Helena	N.A.	N.A.
Sasol	34.50	34.25
Western Deep	215	216

Composite Index : 5836.31
Previous : 5841.59

London

	Close	Prev.
Abbey Nat'l	3.95	4.04
Allied Lyons	5.72	5.83
Arjo Wiggins	2.72	2.72
Argyll Group	2.89	2.91
Ass Brit Foods	5.60	5.71
BAA	4.85	4.90
BAe	4.75	4.86
Bank Scotland	1.95	2.03
Barclays	5.87	5.94
Bass	5.45	5.57
BAT	4.13	4.21
BET	1.03	1.03
Blue Circle	2.88	2.97
BOC Group	7.21	7.27
Boots	5.25	5.41
Bowater	4.72	4.80
BP	4.14	4.20
Brit Airways	3.83	3.90
Brit Gas	2.97	3
Brit Steel	1.52	1.55
Brit Telecom	3.77	3.88
BTR	3.22	3.27
Cable Wire	4.02	4.14
Cadbury Sch	4.42	4.45
Caradon	2.77	2.92
Coats Viyella	2.03	2.13
Comm Union	5.20	5.27
Courtaulds	4.81	4.88
ECC Group	3.68	3.72
Enterprise Oil	3.96	4.06
Eurotunnel	2.70	2.76
Fisons	1.21	1.25
Forte	2.23	2.25
GEC	2.88	2.87
Gen'l Acc	5.62	5.62
Glaxo	5.84	6
Grand Met	4.12	4.18
GRE	1.81	1.90
Guinness	4.58	4.67
GUS	5.40	5.48
Hanson	2.42	2.43
Hillsdown	1.81	1.81
HSBC Hldgs	7.33	7.49
ICI	8.33	8.42
Inchcape	4.16	4.15
Kingfisher	4.86	5
Ladbroke	1.59	1.60
Land Sec	6.09	6.10
Laporte	7.57	7.62
Lasmo	1.55	1.57
Legal Gen Grp	4.49	4.57
Lloyds Bank	5.51	5.55
Marks Sp	4.06	4.09
MEPC	4.21	4.27
Nat'l Power	4.70	4.74
NatWest	4.85	4.98
NthWst Water	5.49	5.52
Pearson	5.90	5.98
P & O	6.61	6.62
Pilkington	1.89	1.90
PowerGen	5.37	5.52
Prudential	3.07	3.14
Rank Org	4.08	4.08
Reckitt Col	5.78	5.83
Redland	5.04	5.17
Reed Intl	7.46	7.61
Reuters	4.72	4.75
RMC Group	9.38	9.67
Rolls Royce	1.81	1.83
Rothmn (unit)	4.18	4.10
Royal Scot	4.09	4.13
RTZ	8.66	8.74
Sainsbury	4.38	4.42
Scot Newcas	4.99	5.07
Scot Power	3.77	3.80
Sears	1.15	1.17
Severn Trent	5.46	5.40
Shell	7.11	7.23
Siebe	5.58	5.51
Smith Nephew	1.47	1.47
SmithKline B	4.25	4.33
Smith (WH)	4.73	4.84
Sun Alliance	3.14	3.23
Tate & Lyle	4.47	4.46
Tesco	2.48	2.51
Thorn EMI	10.05	10.20
Tomkins	2.26	2.30
TSB Group	2.18	2.22
Unilever	11.22	11.17
Utd Biscuits	3.15	3.19
Vodafone	1.87	1.98
War Loan 3½	40.31	40.50
Wellcome	6.56	6.80
Whitbread	5.38	5.46
Williams Hdgs	3.39	3.46
Willis Corroon	1.53	1.55

FT 30 Index : 2388.90
Previous : 2426.90
FT-SE 100 Index : 3065.10
Previous : 3112.70

Madrid

	Close	Prev.
BBV	3145	3225
Bco Central Hisp.	2825	2830
Banco Santander	5130	5250
Banesto	1000	1020
CEPSA	3200	3230
Dragados	2000	2045
Endesa	5470	5540
Ercros	155	161
Iberdrola	828	836
Repsol	3785	4030
Tabacalera	3155	3120
Telefonica	1745	1765

Stock Exchange Index: 303.69
Previous : 308.98

Milan

	Close	Prev.
Alleanza	16050	16000
Assitalia	13300	13225
Autostrade priv	1770	1745
Bca Agricoltura	2790	2750
Bca Commer Ital	3865	3810
Bca Naz Lavoro	12900	12115
Bca Pop Novara	8450	8200
Banca di Roma	1853	1860
Bco Ambrosiano	4255	4120
Bco Napoli risp	1350	1301
Benetton	21850	21850
Credito Italiano	2220	2180
Enichem Aug	3100	3090
Ferfin	1635	1556
Fiat spa	6560	6480
Finanz Agroind	11475	10795
Finmeccanica	1750	1753
Fondiaria spa	10800	11080
Generali Assic	39300	42250
IFIL	5700	5640
Italcementi	11500	11410
Italgas	5350	5210
Mediobanca	13930	13910
Montedison	1420	1380
Olivetti	2045	2080
Pirelli spa	2500	2500
RAS	24850	24950
Rinascente	9600	9420
San Paolo Torino	9400	9500
SIP	4400	4400
SME	3805	3780
Snia bpd	2145	2080
Standa	32500	32450
Stet	4670	4650
Toro Assic	27600	26900

MIB Telematico: 10784
Previous : 10651

To Our Readers

Montreal stock prices were not available for this edition because of technical problems.

Paris

	Close	Prev.
Accor	644	661
Air Liquide	737	757
Alcatel Alsthom	534	553
Axa	234	246.10
Bancaire (Cie)	467	485.80
BIC	1279	1292
BNP	227	236.80
Bouygues	607	623
Danone	729	750
Carrefour	2120	2169
C.C.F.	214.30	219
Cerus	113.50	113.90
Chargeurs	1442	1460
Ciments Franc	300	308
Club Med	438	436.10
Elf-Aquitaine	386.70	396.10
Euro Disney	8.85	9.40
Gen. Eaux	494	517
Havas	435	452
Imetal	584	592
Lafarge Coppee	411.20	421
Legrand	6710	6740
Lyon. Eaux	496	503
Oreal (L')	1140	1191
L.V.M.H.	873	880
Matra-Hachette	106.10	111.90
Michelin B	231	234
Moulinex	122	122.10
Paribas	333.60	348.50
Pechiney Intl	160	166.80
Pernod-Ricard	310	323.50
Peugeot	775	800
Pinault Print	958	955
Radiotechnique	527	530
Rh-Poulenc A	127.80	133.50
Roff. St. Louis	1491	1515
Sanofi	964	970
Saint Gobain	655	642
S.E.B.	540	549
Ste Generale	536	557
Suez	247.70	255.90
Thomson-CSF	142.40	148.30
Total	331.60	332.20
U.A.P.	145.50	149.90
Valeo	280	281

CAC-40 Index : 1924.59
Previous : 1977.30

Sao Paulo

Sept. 15

	Close	Prev.
Banco do Brasil	20.70	21.10
Banespa	10.10	10.90
Bradesco	7.95	8.20
Brahma	249	253
Cemig	92	96
Eletrobras	374.01	388
Itaubanco	265	274.99
Light	319	335
Paranapanema	13.70	14.20
Petrobras	169.99	176.50
Souza Cruz	7000	7150
Telebras	49.80	52
Telesp	443	455
Usiminas	1.36	1.41
Vale Rio Doce	149.99	152.50
Varig	235	248

Bovespa Index : 52874
Previous : 54764

Singapore

	Close	Prev.
Asia Pac Brew	16.40	16.20
Cerebos	8.10	8.10
City Developmnt	7.15	7.20
Cycle & Carriage	13.30	12.50
DBS	10.90	10.90
DBS Land	4.50	4.52
FE Levingston	6.50	6.55
Fraser & Neave	16.40	16.30
Gt Eastn Life	27	27
Hong Leong Fin	4.42	4.44
Inchcape	5.50	5.55
Jurong Shipyard	14.10	14
Kay Hian J Capel	1.98	1.96
Keppel	11.70	11.30
Natsteel	3.22	3.20
Neptune Orient	2.26	2.30
OCBC foreign	14.40	13.70
O'seas Union Bk	6.55	6.55
O'seas Union Ent	8.30	8.20
Sembawang	11.70	11.60
Sime Singapore	1.07	1.08
Sing Aerospace	2.43	2.44
Sing Airlines forn	14.30	14.30
Sing Bus Svc	9.40	9.40
Sing Land	8.95	8.80
Sing Petim	2.68	2.69
Sing Press forn	25.40	25.60
Sing Shipbldg	2.58	2.57
Sing Telecomm	3.38	3.36
Straits Steam	4.64	4.52
Straits Trading	3.60	3.58
Tat Lee Bank	4.38	4.38
Utd Industrial	1.42	1.41
Utd O'seas Bk forn	14.40	14.30
Utd O'seas Land	2.42	2.39

Straits Times Index: 2297.18
Previous : 2280.84

Stockholm

	Close	Prev.
AGA	66.50	67
Asea A	578	582
Astra A	182	185
Atlas Copco	95.50	98
Electrolux B	377	381
Ericsson	407	408
Esselte-A	95	93
Handelsbanken	98	99
Investor B	173	175
Norsk Hydro	249	253.50
Procordia AF	137	137
Sandvik B	117	118
SCA-A	120	120
S-E Banken	46.90	47.70
Skandia F	122	122
Skanska	153	151
SKF	133	133
Stora	442	441
Trelleborg BF	100	100
Volvo BF	140	141

Affaersvaerlden : 1853.17
Previous : 1865.86

Sydney

	Close	Prev.
Amcor	9.06	9.12
ANZ	4.02	3.99
BHP	20.44	20.28
Boral	3.29	3.25
Bougainville	1.10	1.14
Coles Myer	4.02	4.01
Comalco	5.60	5.60
CRA	19.50	19.50
CSR	4.45	4.49
Fosters Brew	1.13	1.13
Goodman Field	1.33	1.33
ICI Australia	10.44	10.42
Magellan	1.90	1.90
MIM	2.97	2.90
Nat Aust Bank	10.44	10.30
News Corp	8.65	8.60
Nine Network	4.35	4.35
N Broken Hill	3.80	3.85
Pac Dunlop	4.16	4.15
Pioneer Int'l	3.10	3.07
Nmndy Poseidon	2.37	2.31
QCT Resources	1.52	1.53
Santos	3.90	3.92
TNT	2.47	2.45
Western Mining	8.30	8.33
Westpac Banking	4.46	N.A.
Woodside	4.57	N.A.

All Ordinaries Index: 2059
Previous : 2050.80

Tokyo

	Close	Prev.
Akai Electr	403	410
Asahi Chemical	785	784
Asahi Glass	1210	1210
Bank of Tokyo	1550	1530
Bridgestone	1520	1530
Canon	1720	1720
Casio	1200	1220
Dai Nippon Print	1830	1820
Daiwa House	1480	1510
Daiwa Securities	1470	1440
Fanuc	4480	4490
Fuji Bank	2070	2080
Fuji Photo	2310	2290
Fujitsu	1040	1050
Hitachi	956	964
Hitachi Cable	829	835
Honda	1630	1620
Ito Yokado	5190	5210
Itochu	694	699
Japan Airlines	750	748
Kajima	980	990
Kansai Power	2570	2560
Kawasaki Steel	426	428
Kirin Brewery	1190	1180
Komatsu	902	896
Kubota	703	712
Kyocera	7090	7140
Matsu Elec Inds	1600	1620
Matsu Elec Wks	1050	1070
Mitsubishi Bk	2480	2490
Mitsubishi Kasei	525	527
Mitsubishi Elec	668	674
Mitsubishi Hev	743	753
Mitsubishi Corp	1230	1230
Mitsui and Co	822	827
Mitsui Marine	760	776
Mitsukoshi	976	975
Mitsumi	1450	1470
NEC	1170	1200
NGK Insulators	1020	1030
Nikko Securities	1140	1150
Nippon Kogaku	934	950
Nippon Oil	725	725
Nippon Steel	376	377
Nippon Yusen	626	628
Nissan	790	785
Nomura Sec	2110	2130
NTT	8950a	8940a
Olympus Optical	1080	1090
Pioneer	2740	2730
Ricoh	921	930
Sanyo Elec	550	549
Sharp	1740	1770
Shimazu	713	721
Shinetsu Chem	2030	2070
Sony	5880	5930
Sumitomo Bk	1850	1870
Sumitomo Chem	554	555
Sumi Marine	882	902
Sumitomo Metal	327	325
Taisei Corp	664	670
Takeda Chem	1200	1230
TDK	4410	4390
Teijin	550	551
Tokyo Marine	1150	1170
Tokyo Elec Pw	2970	2960
Toppan Printing	1410	1430
Toray Ind.	750	751
Toshiba	744	753
Toyota	2010	2020
Yamaichi Sec	796	820

a: x 100.
Nikkei 225 : 19796
Previous : 19919
Topix Index : 1576
Previous : 1584

To Our Readers

Toronto stock prices were not available for this edition because of technical problems.

Zurich

	Close	Prev.
Adia Intl B	236	232
Alusuisse B new	681	675
BBC Brwn Bov B	1188	1190
Ciba Geigy B	770	782
CS Holdings B	564	566
Elektrow B	344	351
Fischer B	1510	1570
Interdiscount B	2250	2280
Jelmoli B	905	905
Landis Gyr R	745	750
Moevenpick B	403	408
Nestle R	1200	1216
Oerlik. Buehrle R	133	137
Pargesa Hld B	1555	1550
Roche Hdg PC	6000	6040
Safra Republic	108	107
Sandoz B	684	687
Schindler B	7950	7825
Sulzer PC	920	932
Surveillance B	1930	1940
Swiss Bnk Corp B	376	377
Swiss Reinsur R	529	526
Swissair R	855	849
UBS B	1191	1208
Winterthur B	665	670
Zurich Ass B	1285	1288

SBC Index: 926.87
Previous : 932.83

U.S. FUTURES

Via Associated Press Sept. 16

Grains

WHEAT (CBOT) 5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
3.87¼	3.02	Sep 94	3.69	3.77	3.69	3.77	+0.06½	418
3.98½	3.09	Dec 94	3.82	3.90	3.81½	3.89½	+0.06	47,187
4.05½	3.27	Mar 95	3.91	3.98	3.89¾	3.97½	+0.06½	18,382
3.90½	3.16½	May 95	3.77	3.83½	3.76½	3.82½	+0.05½	2,513
3.61	3.11	Jul 95	3.50	3.55	3.49½	3.54¼	+0.04½	3,594
3.63½	3.52	Sep 95	3.51½	3.56	3.51½	3.56	+0.01	39
3.72½	3.55	Dec 95	3.62½	3.65	3.62½	3.65	+0.03	83

Est. sales 21,000 Thu's. sales 22,801
Thu's open int 72,216 up 10

WHEAT (KBOT) 5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
3.89	3.02½	Sep 94	3.78	3.82	3.75	3.81	+0.03¼	302
4.02	3.12½	Dec 94	3.88	3.94	3.86	3.93	+0.04¼	25,939
4.06¼	3.25	Mar 95	3.92	3.99	3.91	3.98¾	+0.05	10,759
3.92	3.21½	May 95	3.81	3.85½	3.78¼	3.85½	+0.05½	793
3.64	3.16½	Jul 95	3.53	3.58	3.52¼	3.58	+0.04	1,420
3.59	3.29	Sep 95				3.59	+0.04	15
3.65	3.60½	Dec 95				3.65	+0.04	1

Est. sales N.A. Thu's. sales 6,972
Thu's open int 3,923 off 3570

CORN (CBOT) 5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
2.92¼	2.14	Sep 94	2.18	2.18	2.14¾	2.16¼	—0.00½	3,991
2.77	2.17	Dec 94	2.18	2.18¾	2.15¾	2.17¼	—0.00½	132,286
2.82½	2.26	Mar 95	2.28	2.28½	2.25½	2.27½	—0.00¾	36,544
2.85	2.32½	May 95	2.35	2.35	2.32¾	2.34¾		14,519
2.85½	2.36¼	Jul 95	2.39	2.39½	2.37	2.39¼		14,304
2.70½	2.39	Sep 95	2.41½	2.42½	2.41	2.42	+0.00¼	963
2.63	2.35½	Dec 95	2.44½	2.45¾	2.43½	2.45½	+0.00¼	4,503
2.62½	2.57	Jul 96	2.55½	2.57½	2.55½	2.57½	—0.00½	52

Est. sales 50,000 Thu's. sales 75,538
Thu's open int 209,353 up 773

SOYBEANS (CBOT) 5,000 bu minimum- dollars per bushel

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
7.08½	5.60½	Sep 94	5.64	5.65½	5.57	5.59¼	—0.04¼	2,884
7.57½	5.51	Nov 94	5.58½	5.59½	5.49½	5.51¼	—0.04¼	77,957
7.04	5.60	Jan 95	5.67	5.68½	5.59	5.62½	—0.04¼	17,128
7.05	5.69	Mar 95	5.76	5.77½	5.69	5.72	—0.03½	8,442
7.05½	5.75½	May 95	5.84	5.84½	5.77	5.80	—0.03¾	5,100
7.06½	5.78¼	Jul 95	5.90	5.90½	5.82½	5.86	—0.03½	9,404
6.12	5.79	Aug 95	5.90½	5.90½	5.86	5.86	—0.04½	269
6.15	5.77	Sep 95	5.92½	5.92½	5.86	5.87¼	—0.03¼	91
6.50½	5.78½	Nov 95	5.97½	5.98	5.92½	5.95	—0.02½	3,852
6.21	6.20	Jul 96				6.05	—0.12	1

Est. sales 42,000 Thu's. sales 50,067
Thu's open int 125,128 up 1884

SOYBEAN MEAL (CBOT) 100 tons- dollars per ton

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
210.00	168.60	Sep 94	169.30	169.70	168.50	168.60	—0.70	2,600
207.50	165.20	Oct 94	165.80	166.30	165.00	165.40	—0.10	14,173
209.00	165.50	Dec 94	166.00	166.60	165.40	165.90	+0.10	41,743
207.50	167.00	Jan 95	167.50	168.10	166.90	167.10	+0.10	9,336
207.50	170.20	Mar 95	170.50	171.20	170.00	170.60	+0.20	9,083
207.00	172.00	May 95	172.80	173.40	172.30	172.70	+0.60	5,282
206.00	174.30	Jul 95	175.00	175.40	174.50	174.80	+0.40	3,329
182.60	175.20	Aug 95	175.50	176.00	175.30	175.50	+0.30	454
182.70	175.00	Sep 95	176.20	176.70	176.00	176.20	+0.90	379
		Oct 95	176.70	176.70	176.70	176.70	+0.40	1
182.00	176.50	Dec 95				178.50	+2.00	102

Est. sales 23,000 Thu's. sales 29,384
Thu's open int 86,482 up 2880

SOYBEAN OIL (CBOT) 60,000 lbs- dollars per 100 lbs

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
30.34	22.40	Sep 94	26.45	26.45	25.65	25.98	—0.48	2,395
29.54	22.10	Oct 94	26.00	26.00	25.08	25.47	—0.44	18,295
28.97	22.00	Dec 94	25.30	25.30	24.50	24.83	—0.41	39,734
28.55	22.45	Jan 95	25.00	25.00	24.35	24.61	—0.38	6,463
28.30	22.93	Mar 95	24.60	24.65	24.12	24.41	—0.19	7,975
28.05	22.93	May 95	24.30	24.35	23.90	24.10	—0.29	4,226
27.85	23.00	Jul 95	24.08	24.08	23.75	23.85	—0.35	2,829
27.20	22.95	Aug 95	23.97	23.97	23.65	23.80	—0.40	506
24.75	22.95	Sep 95	23.90	23.90	23.65	23.65	—0.40	106
23.10	23.10	Oct 95	23.75	23.75	23.50	23.58	—0.37	1
23.75	22.80	Dec 95	23.60	23.60	23.45	21.58	—0.32	3

Est. sales 30,000 Thu's. sales 29,065
Thu's open int 82,533 off 1181

Livestock

CATTLE (CMER) 40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
74.10	65.70	Oct 94	69.60	69.90	69.45	69.87	+0.45	30,945
74.30	67.20	Dec 94	68.60	68.87	68.42	68.67	+0.20	20,227
74.25	67.25	Feb 95	67.45	67.85	67.45	67.80	+0.30	12,162
75.10	68.55	Apr 95	68.75	68.95	68.62	68.85	+0.10	8,732
69.30	65.90	Jun 95	66.10	66.27	66.00	66.15	+0.15	2,014
68.10	65.50	Aug 95	65.80	65.87	65.60	65.87	+0.02	954
67.55	66.40	Oct 95	66.25	66.25	66.20	66.25	—0.05	94

Est. sales 8,105 Thu's. sales 11,529
Thu's open int 75,138 off 167

FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
75.80	72.47	Sep 94	72.82	72.92	72.70	72.92	+0.10	1,493
81.35	70.95	Oct 94	72.40	72.70	72.30	72.50	+0.10	3,452
80.00	72.40	Nov 94	73.45	73.85	73.45	73.72	+0.15	2,498
80.95	72.95	Jan 95	73.50	73.85	73.50	73.70	+0.10	799
80.25	72.42	Mar 95	72.45	72.75	72.40	72.65	—0.20	280
78.90	72.20	Apr 95	72.50	72.40	72.40	72.50	+0.10	261
76.30	71.92	May 95	71.95	72.10	71.95	72.00	+0.05	190
73.05	72.00	Aug 95				72.00		10

Est. sales 1,464 Thu's. sales 1,517
Thu's open int 9,153 up 48

HOGS (CMER) 40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
49.75	37.55	Oct 94	37.57	37.80	37.32	37.70	+0.13	10,572
50.50	38.35	Dec 94	38.37	38.70	38.24	38.42		11,775
50.80	38.80	Feb 95	39.00	39.25	38.90	39.05	+0.13	3,529
48.80	38.75	Apr 95	38.80	39.15	38.80	38.95	+0.28	2,315
47.50	43.75	Jun 95	44.05	44.20	44.00	44.20	+0.10	697
45.00	43.75	Jul 95	44.02	44.20	44.00	44.15	+0.10	189
43.40	42.70	Aug 95	43.10	43.10	42.90	43.10		87
40.50	39.70	Oct 95	39.80	39.90	39.80	39.90	+0.10	67
41.00	40.00	Dec 95	40.85	40.85	40.55	40.75	—0.18	6

Est. sales 5,183 Thu's. sales 7,180
Thu's open int 29,287 up 9

PORK BELLIES (CMER) 40,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
60.05	40.10	Feb 95	40.20	40.60	39.60	40.52	+0.32	7,554
60.20	40.07	Mar 95	40.40	40.40	39.50	40.57	+0.47	532
61.15	41.00	May 95	41.30	41.35	40.50	41.20	+0.20	119
54.00	42.00	Jul 95	42.00	42.50	41.60	42.40	+0.40	135
44.00	41.60	Aug 95	40.50	41.50	40.50	41.50	+0.25	33

Est. sales 2,345 Thu's. sales 3,248
Thu's open int 8,374 up 118

Food

COFFEE C (NCSE) 37,500 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
274.00	68.50	Sep 94	209.00	214.40	209.00	214.15	+9.65	94
244.25	77.10	Dec 94	213.50	223.75	213.50	221.80	+9.40	22,747
244.00	78.90	Mar 95	217.50	222.00	217.50	222.00	+6.00	7,395
244.40	82.50	May 95	218.75	223.00	219.00	223.00	+6.00	3,032
245.10	85.00	Jul 95	219.00	224.00	219.00	224.00	+6.00	884
231.00	185.50	Sep 95	223.75	223.75	223.75	225.00	+6.00	379
242.00	81.80	Dec 95	225.00	224.80	224.80	226.00	+6.00	469

Est. sales 8,720 Thu's. sales 6,463
Thu's open int 34,920 off 397

SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
12.85	4.39	Oct 94	12.73	12.81	12.62	12.65	—0.17	28,128
12.66	9.17	Mar 95	12.55	12.70	12.52	12.56	—0.05	88,514
12.60	10.57	May 95	12.50	12.65	12.50	12.51	—0.04	13,463
12.44	10.57	Jul 95	12.37	12.52	12.37	12.39	—0.01	7,936
12.24	10.57	Oct 95	12.18	12.27	12.18	12.20	—0.02	3,263
11.80	10.88	Mar 96	11.80	11.82	11.79	11.79	+0.02	740
11.56	11.18	May 96				11.83	+0.02	5
11.88	11.70	Jul 96				11.73	+0.03	5

Est. sales 21,634 Thu's. sales 18,716
Thu's open int 142,056 off 2464

COCOA (NCSE) 10 metric tons- $ per ton

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
1580	1041	Dec 94	1345	1354	1336	1338	—12	42,829
1605	1077	Mar 95	1385	1401	1384	1386	—11	13,915
1612	1078	May 95	1426	1430	1414	1414	—8	2,995
1600	1225	Jul 95	1454	1455	1454	1442	—8	2,686
1560	1447	Sep 95	1475	1475	1475	1462	—8	1,297
1633	1290	Dec 95				1488	—8	4,796
1676	1350	Mar 96				1512	—8	3,394
1642	1225	May 96				1533	—8	196

Est. sales 3,821 Thu's. sales 3,462
Thu's open int 73,175 up 184

ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
134.50	83.10	Sep 94	84.60	84.60	84.60	83.95	—0.05	41
134.00	85.00	Nov 94	87.15	87.75	86.20	86.95	—0.20	12,171
132.00	89.00	Jan 95	90.85	91.20	90.10	90.75		3,688
114.25	91.00	Mar 95	94.50	95.20	94.00	94.05	—0.70	3,903
114.25	97.00	May 95	98.00	98.00	97.50	97.55	—0.70	855
119.00	100.50	Jul 95	101.00	101.00	101.00	100.05	—0.70	
113.60	109.00	Nov 95				105.05	—0.45	
		Jan 96				105.05	—0.45	
112.50	102.50	Sep 95				102.55	—0.70	

Est. sales N.A. Thu's. sales 1,055
Thu's open int 23,485 up 344

Metals

HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
121.40	74.90	Sep 94	119.70	122.35	119.70	122.30	+2.50	4,497
117.00	75.25	Dec 94	114.60	117.30	114.60	117.25	+2.45	39,108
116.50	74.90	Jan 95	115.40	116.40	115.40	116.70	+2.20	561
115.25	73.00	Feb 95				116.15	+2.15	
115.50	73.00	Mar 95	113.80	115.70	113.70	115.65	+2.00	3,804
114.80	76.85	May 95	113.30	114.25	113.30	114.45	+2.00	1,134
113.00	78.00	Jul 95	112.20	113.15	112.20	113.25	+1.70	
112.30	79.10	Sep 95	111.00	111.95	111.00	112.05	+1.70	
117.85	73.20	Oct 95	117.80	118.50	117.80	118.55	+2.35	1,738
117.00	77.75	Nov 95	115.50	116.85	115.50	117.70	+2.60	
115.75	88.00	Dec 95	109.80	110.75	109.80	110.65	+1.50	
108.90	88.50	Jan 96				110.05	+1.30	
109.20	88.70	Mar 96	110.20	110.20	110.20	109.25	+1.10	59
114.60	91.10	Apr 96	114.60	114.25	114.25	115.05	+1.90	151
108.50	108.20	May 96				108.45	+0.70	
113.25	104.10	Jun 96	113.50	113.50	113.50	114.30	+1.75	
		Jul 96				107.95	+0.60	
112.05	112.00	Aug 96	111.50	111.50	111.40	112.65	+1.70	

Est. sales 15,000 Thu's. sales 7,341
Thu's open int 55,533 off 450

SILVER (NCMX) 5,000 troy oz.- cents per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
615.0	493.0	Sep 94	540.0	548.0	540.0	541.7	+4.1	385
549.0	511.5	Oct 94				543.0	+4.0	
		Nov 94				545.0	+4.0	
597.0	380.0	Dec 94	544.0	557.0	544.0	547.5	+4.0	82,239
564.0	401.0	Jan 95				549.9	+4.0	
604.0	416.5	Mar 95	553.0	565.0	553.0	555.7	+4.0	9,304
606.5	418.0	May 95	566.5	566.5	566.5	561.6	+4.1	
610.0	420.0	Jul 95	569.0	574.5	567.5	567.7	+4.2	
584.0	532.5	Sep 95				574.0	+4.3	1,415
628.0	539.0	Dec 95				583.8	+4.4	2,218
612.0	575.0	Jan 96				587.0	+4.4	
618.0	554.0	Mar 96				594.2	+4.5	
587.0	587.0	May 96				601.2	+4.7	
		Jul 96				608.8	+4.9	

Est. sales 18,000 Thu's. sales 13,882
Thu's open int 107,508 off 658

PLATINUM (NMER) 50 troy oz.- dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
435.40	368.00	Oct 94	411.00	415.00	410.00	413.00	+2.00	13,674
435.50	374.80	Jan 95	415.30	419.30	415.00	417.30	+2.00	8,568
439.00	390.00	Apr 95	418.00	422.00	422.00	420.80	+2.20	2,098
435.00	419.50	Jul 95				424.30	+2.20	
431.50	422.00	Oct 95				427.00	+2.20	280

Est. sales N.A. Thu's. sales 6,859
Thu's open int 25,044 up 281

GOLD (NCMX) 100 troy oz.- dollars per troy oz.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
417.00	344.00	Oct 94	389.10	391.60	389.00	390.50	+1.60	7,709
		Nov 94				392.10	+1.70	
426.50	343.00	Dec 94	392.00	395.00	392.00	393.60	+1.70	89,034
411.00	363.50	Feb 95	395.50	398.40	395.30	396.90	+1.70	13,711
417.00	364.50	Apr 95	400.70	400.80	400.70	400.30	+1.70	6,812
428.50	361.20	Jun 95	404.60	404.60	404.20	403.70	+1.80	10,555
412.50	380.50	Aug 95				407.20	+1.80	
390.00	390.00	Sep 95				389.90	+1.70	
413.20	401.00	Oct 95				411.00	+1.90	1,466
429.00	400.50	Dec 95				414.80	+1.90	5,711
424.50	412.50	Feb 96				418.70	+2.00	1,944
430.00	418.30	Apr 96				422.60	+2.00	1,708
430.00	413.00	Jun 96				426.80	+2.00	3,710

Est. sales 35,000 Thu's. sales 18,151
Thu's open int 156,885 up 6646

Financial

US T. BILLS (CMER) $1 million- pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
96.10	94.25	Dec 94	94.86	94.86	94.75	94.76	—0.10	11,409
95.05	93.98	Mar 95	94.44	94.44	94.21	94.33	—0.13	5,340
94.24	94.08	Jun 95	94.11	94.11	93.95	93.99	—0.13	489

Est. sales N.A. Thu's. sales 3,175
Thu's open int 17,238 off 3396

5 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
110-195	102-12	Sep 94	104-03	104-03	103-12	103-15	— 22	26,164
104-20	101-26	Dec 94	103-09	103-095	102-17	102-21	— 22	162,485
102-09	102-02	Mar 95	102-20	102-20	101-29	101-30	— 22	85

Est. sales 75,000 Thu's. sales 63,377
Thu's open int 188,734 up 3053

10 YR. TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
115-01	101-18	Sep 94	104-02	104-02	102-29	102-31	— 1 05	52,665
114-21	100-25	Dec 94	103-05	103-05	101-26	101-31	— 1 05	214,488
111-07	100-05	Mar 95	101-04	101-04	100-31	101-00	— 1 06	2,390
105-22	99-20	Jun 95				100-06	— 1 06	6
101-06	100-01	Sep 95				99-16	— 1 06	2

Est. sales 153,690 Thu's. sales 62,784
Thu's open int 269,745 up 5550

US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
118-26	90-12	Sep 94	101-23	101-23	99-27	100-04	— 1 16	78,416
118-08	91-19	Dec 94	100-27	100-28	98-31	99-08	— 1 16	351,363
116-20	98-20	Mar 95	100-02	100-03	98-07	98-17	— 1 16	9,487
115-19	98-11	Jun 95	99-04	97-04	97-21	97-28	— 1 16	765
112-15	97-21	Sep 95				97-06	— 1 16	236
113-14	97-05	Dec 95				96-23	— 1 16	124
114-06	96-21	Mar 96	96-19	96-19	96-07	96-07	— 1 16	43
108-20	96-10	Jun 96	96-00		95-25	95-25	— 1 16	27

Est. sales 600,000 Thu's. sales 264,993
Thu's open int 440,463 off 1726

MUNICIPAL BONDS (CBOT) $1000x index-pts & 32nds of 100 pct

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
95-17	86-13	Sep 94	90-17	90-19	89-18	89-18	— 1 03	5,082
91-17	87-16	Dec 94	89-03	89-03	87-23	88-00	— 1 05	14,970
88-09	86-28	Mar 95	87-26	87-31	86-28	87-02	— 1 06	18

Est. sales 8,000 Thu's. sales 3,068
Thu's open int 20,062 off 425

EURODOLLARS (CMER) $1 million-pts of 100 pct.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
95.570	90.360	Sep 94	94.960	94.960	94.900	94.910	—40	216,547
95.180	90.710	Dec 94	94.310	94.310	94.200	94.210	—90	509,266
95.580	90.340	Mar 95	93.950	93.950	93.800	93.820	—120	390,306
94.730	90.710	Jun 95	93.590	93.590	93.440	93.460	—130	271,945
94.550	91.310	Sep 95	93.310	93.310	93.150	93.170	—140	218,670
94.220	91.180	Dec 95	93.010	93.010	92.840	92.860	—150	163,714
94.220	90.750	Mar 96	92.940	92.940	92.780	92.790	—140	137,166
93.180	92.620	Jun 96	92.820	92.820	92.660	92.670	—150	111,868

Est. sales N.A. Thu's. sales 266,988
Thu's open int 2,778,312 up 9235

BRITISH POUND (CMER) $ per pound- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
1.5764	1.4440	Sep 94	1.5664	1.5880	1.5664	1.5812	+174	21,953
1.5760	1.4500	Dec 94	1.5618	1.5848	1.5618	1.5788	+176	27,121
1.5720	1.4640	Mar 95	1.5650	1.5790	1.5650	1.5754	+176	212
1.5620	1.5348	Jun 95				1.5694	+176	1

Est. sales N.A. Thu's. sales 6,580
Thu's open int 49,287 off 1126

CANADIAN DOLLAR (CMER) $ per dlr- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
0.7740	0.7068	Sep 94	0.7394	0.7411	0.7394	0.7407	+16	8,745
0.7670	0.7028	Dec 94	0.7385	0.7407	0.7385	0.7401	+16	41,738
0.7605	0.7020	Mar 95	0.7394	0.7397	0.7380	0.7392	+14	1,024
0.7522	0.6990	Jun 95	0.7380	0.7380	0.7370	0.7379	+14	439
0.7345	0.6965	Sep 95				0.7361	+14	303
0.7210	0.7040	Dec 95				0.7341	+14	22

Est. sales N.A. Thu's. sales 7,709
Thu's open int 52,271 up 567

GERMAN MARK (CMER) $ per mark- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
0.6595	0.5600	Sep 94	0.6445	0.6532	0.6445	0.6482	+16	60,788
0.6606	0.5590	Dec 94	0.6441	0.6532	0.6445	0.6481	+15	67,834
0.6595	0.5810	Mar 95	0.6475	0.6535	0.6470	0.6487	+15	3,725
0.6595	0.5980	Jun 95	0.6510	0.6520	0.6495	0.6494	+14	471
0.6525	0.6347	Sep 95				0.6499	+14	10

Est. sales N.A. Thu's. sales 36,933
Thu's open int 132,828 up 430

JAPANESE YEN (CMER) $ per yen- 1 point equals $0.000001

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
0.010408	0.009425	Sep 94	0.010082	0.010145	0.010074	0.010111	+50	31,431
0.010490	0.009525	Dec 94	0.010126	0.010215	0.010120	0.010179	+52	37,092
0.010560	0.009680	Mar 95	0.010220	0.010290	0.010217	0.010255	+55	2,145
0.010670	0.009776	Jun 95				0.010346	+59	449
0.010775	0.010200	Sep 95				0.010432	+63	77
		Dec 95				0.010522	+71	

Est. sales N.A. Thu's. sales 17,286
Thu's open int 71,194 off 1472

SWISS FRANC (CMER) $ per franc- 1 point equals $0.0001

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
0.7842	0.6600	Sep 94	0.7796	0.7894	0.7775	0.7817	+25	28,828
0.7866	0.6885	Dec 94	0.7795	0.7905	0.7770	0.7837	+24	33,128
0.7885	0.7420	Mar 95	0.7845	0.7920	0.7830	0.7860	+22	305
0.7901	0.7466	Jun 95	0.7890	0.7920	0.7890	0.7886	+33	29

Est. sales N.A. Thu's. sales 17,284
Thu's open int 54,290 off 389

Industrials

COTTON 2 (NCTN) 50,000 lbs.- cents per lb.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
78.40	59.51	Oct 94	70.90	71.10	69.95	70.02	—1.55	2,445
77.25	59.48	Dec 94	70.17	70.40	69.10	69.24	—1.64	27,803
78.15	62.50	Mar 95	71.55	71.75	70.50	70.68	—1.50	9,480
78.55	64.00	May 95	72.55	72.60	71.61	71.85	—1.38	5,142
78.75	69.30	Jul 95	73.30	73.50	72.40	72.80	—1.05	3,497
74.70	66.80	Oct 95	70.40	70.40	69.70	69.70	—0.90	409
72.80	66.25	Dec 95	69.50	69.50	68.85	69.00	—0.75	1,514

Est. sales N.A. Thu's. sales 4,490
Thu's open int 50,910 up 32

HEATING OIL (NMER) 42,000 gal- cents per gal

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
57.30	44.90	Oct 94	46.70	47.30	46.50	47.01	+0.30	33,341
58.30	46.00	Nov 94	48.40	48.40	47.80	48.19	+0.31	24,728
59.00	46.80	Dec 94	49.35	49.70	49.20	49.49	+0.25	40,189
62.25	43.25	Jan 95	50.20	50.45	50.15	50.59	+0.21	24,106
58.75	47.95	Feb 95	51.40	51.40	50.80	51.14	+0.21	13,367
57.50	47.00	Mar 95	51.05	51.05	50.75	50.84	+0.11	10,139
55.15	43.05	Apr 95	50.25	50.35	50.25	50.29	+0.01	3,441
54.30	47.00	May 95	49.90	49.90	49.80	49.79	+0.01	3,876
53.50	46.79	Jun 95	49.70	49.70	49.40	49.49	—0.09	6,741
54.30	47.85	Jul 95	49.70	49.70	49.70	49.74	—0.09	4,694
55.60	42.70	Aug 95	50.40	50.40	50.40	50.29	—0.09	1,452
52.95	48.45	Sep 95	51.25	51.40	51.25	51.19	—0.09	1,571
53.55	50.05	Oct 95	52.25	52.35	52.25	52.09	—0.09	427
53.30	52.90	Nov 95	53.15	53.15	53.15	52.99	—0.09	
57.60	53.40	Dec 95	53.80	54.00	53.60	53.89	—0.09	2,485
58.50	50.30	Jan 96				54.49	—0.09	11
59.30	59.30	Feb 96				54.49	—0.09	
54.90	54.90	Mar 96				53.54	—0.07	

Est. sales N.A. Thu's. sales 42,538
Thu's open int 171,352 up 217

LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
20.73	14.65	Oct 94	16.75	16.90	16.70	16.83	+0.13	40,863
20.29	14.82	Nov 94	16.85	17.07	16.85	17.00	+0.15	87,450
20.80	14.93	Dec 94	17.09	17.25	17.07	17.19	+0.10	59,107
19.45	15.15	Jan 95	17.27	17.38	17.27	17.34	+0.09	39,561
19.60	15.28	Feb 95	17.39	17.49	17.39	17.44	+0.08	21,673
19.68	15.42	Mar 95	17.47	17.59	17.45	17.50	+0.07	15,710
19.68	15.55	Apr 95	17.54	17.60	17.55	17.55	+0.06	11,474
19.24	15.69	May 95	17.64	17.64	17.54	17.59	+0.06	10,232
20.30	15.73	Jun 95	17.68	17.68	17.54	17.63	+0.05	24,171
19.07	16.05	Jul 95	17.70	17.70	17.48	17.67	+0.05	8,018
19.07	16.16	Aug 95	17.70	17.70	17.70	17.71	+0.05	4,855
18.35	17.47	Sep 95	17.73	17.80	17.75	17.75	+0.05	8,176
19.17	16.42	Oct 95				17.79	+0.05	
19.06	17.15	Nov 95				17.83	+0.05	
20.80	16.50	Dec 95	17.88	17.95	17.98	17.87	+0.05	14,799
21.15	17.03	Jan 96				17.91	+0.05	3,020
18.84	18.69	Feb 96				17.94	+0.05	
18.80	17.15	Mar 96	18.00	18.00	18.00	17.97	+0.05	6,090
18.40	17.22	Jun 96				18.06	+0.05	16,885
18.07	18.39	Sep 96				18.23	+0.05	

Est. sales N.A. Thu's. sales 69,563
Thu's open int 404,480 up 4541

UNLEADED GASOLINE (NMER) 42,000 gal- cents per gal

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
57.90	43.05	Oct 94	44.40	45.00	44.20	44.74	+0.55	22,445
55.40	42.75	Nov 94	44.80	45.20	44.50	45.12	+0.71	19,090
60.35	50.80	Dec 94	52.20	52.30	52.20	52.72	+0.67	10,244
58.60	50.50	Jan 95	52.00	52.85	52.00	52.40	+0.70	6,187
58.85	51.10	Feb 95	52.00	52.20	52.00	52.85	+0.60	4,777
55.20	52.80	Mar 95	53.00	53.60	53.00	53.70	+0.55	811
58.40	54.55	Apr 95	57.50	57.95	57.50	57.60	+0.45	2,139
57.50	57.45	May 95	57.10	57.10	57.10	57.35	+0.35	
		Jun 95	56.60	56.60	56.40	56.15	+0.35	472
56.60	55.30	Jul 95	56.50	56.45	56.50	55.50	+0.35	
		Sep 95				53.90	+0.35	298
54.25	52.50	Oct 95				52.55	+0.35	207
		Nov 95				52.65		
		Dec 95				52.15		
		Aug 96				54.75	+0.35	

Est. sales N.A. Thu's. sales 24,142
Thu's open int 68,090 up 564

Stock Indexes

S&P COMP. INDEX (CMER) 500 x index

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
487.10	429.70	Dec 94	475.65	476.25	471.25	472.55	—3.10	198,951
484.10	441.45	Mar 95	474.75	477.00	474.40	475.50	—3.25	5,385
487.40	451.00	Jun 95	479.70	479.80	478.00	479.60	—2.60	1,952

Est. sales N.A. Thu's. sales 94,868
Thu's open int 264,967 up 1874

NYSE COMP. INDEX (NYFE) points and cents

Season High	Season Low		Open	High	Low	Close	Chg	Op.Int
264.50	237.15	Dec 94	260.00	261.25	259.75	260.40	—1.80	3,778
264.60	248.50	Mar 95	261.55	261.80	261.55	261.80	—1.80	183
265.00	254.50	Jun 95	262.80	263.00	261.20	263.20	—1.80	34

Est. sales N.A. Thu's. sales 3,878
Thu's open int 5,095 up 209

Commodity Indexes

	Close	Previous
Moody's	1,358.40	1,362.30
Reuters	2,105.90	2,091.10
D.J. Futures	154.45	153.79
Com. Research	229.24	230.63

Veba Plans Investment In Motorola's Satellites

Reuters

BONN — Veba AG is planning a major investment in telecommunications by taking a sizable interest in the satellite communications group Iridium, industry sources said Friday.

Sources close to the negotiations between Veba and Iridium said the German power company would take a "substantial stake" in the satellite network, which was initiated by Motorola Inc.

The sources, who asked not to be identified, gave no details, but said Iridium and Veba would announce the agreement in Germany and the Untied States next week.

"We are negotiating about this but at the moment we can release no details," a company spokesman said.

Veba's shares gained 4.10 Deutsche marks ($2.65) on the news, closing at 541.50 DM.

Iridium plans to launch a network of 66 low-orbiting satellites to provide global hand-held wireless communications services.

Khrunichev, the maker of Russia's Proton rocket, has signed with Iridium to launch 21 of the small satellites on three Proton rockets starting in 1995.

Other investors in Iridium include U.S. companies such as Raytheon Co., Lockheed Corp., and Sprint Corp. Others are BCE Mobile Communication Inc. of Canada, Società Finanziaria Telefonica of Italy and industry consortia in Japan, India and Thailand.

There are five global satellite ventures racing to compete in the emerging market for personal satellite communications.

One of them, Teledesic Corp., is the $9 billion brain child of billionaires Bill Gates and Craig O. McCaw, the chairmen of Microsoft Corp. and McCaw Cellular Communications Inc., respectively.

While the $3.4 billion Iridium project targets globe-trotting executives who want to be reached anywhere at anytime, Teledesic is hoping to provide wireless telecommunications infrastructure for places where land-based systems would be too expensive.

Iridium's deal with Veba gives it a powerful partner in Germany, which is Europe's biggest phone market and is expected to have around 10 million mobile phone users by 2000.

The move helps Veba in its effort to establish itself as a competitor to state-owned Deutsche Telekom and a major player in European communications.

Saint-Gobain Is Optimistic

AFP-Extel News

PARIS — Saint-Gobain SA said Friday it expected rising sales as well as reduced debt and restructuring charges to contribute to improved earnings for 1994.

The company said a 900 million-franc ($170 million) gain from the sale of its Cellulose du Pin unit to Jefferson Smurfit Group PLC would also improve profits.

Saint Gobain stock rose 2 percent, to 655 francs, Friday, a day after it reported improved first-half profit.

Nestlé to Gain From Sale

Compiled by Our Staff From Dispatches

ZURICH — Nestlé SA told analysts Friday it expected to make a net one-time gain of 320 million Swiss francs ($249 million) in 1994 from a transaction in which L'Oréal SA will buy distribution companies jointly owned by Nestlé and the Bettencourt family.

"This is more than I expected and will certainly wipe out the currency loss," James Amoroso of Crédit Suisse said.

Nestlé said Thursday that its first-half net profit rose 1.7 percent, to 1.27 billion Swiss francs, despite sales damaged by a strong Swiss franc. The company did not give further details on the L'Oréal deal.

Nestlé told analysts the negative currency impact should not reoccur in the second half. Analysts said Nestlé made it clear a large part of its first-half currency loss was due to a "monetary imbroglio" in Brazil: a currency change earlier this year amid hyper-inflation.

Nestlé now expects a further improvement in operating margins in the second half, analysts said.

The company's stock fell 12 francs. *(Bloomberg, AFX)*

Swissair Faces Loss Of Its Monopoly On Domestic Flights

Reuters

ZURICH — Swissair AG could soon face competition on its home turf as authorities consider whether to liberalize Swiss air space.

The Swiss transport ministry will decide in the next few weeks whether to grant a license to a charter company, TEA Basel AG, for a daily scheduled flight on the Zurich-Geneva route.

Approval of the project, named Hot Tea, would herald the end of Swissair's monopoly and send a signal to the European Union of Swiss willingness to open up its markets.

While other carriers previously have been granted licenses to operate in Switzerland, this is the first time that Swissair has faced a serious challenge on an important route.

Alexander Leber, a key figure behind Hot Tea, said he was convinced time had run out for Swissair's monopoly. Beginning next year, he plans to have his company offering a daily shuttle between Zurich and Geneva.

"If Swissair wants to partake in the liberalized European air space, then it can't argue for monopoly conditions here in Switzerland," Mr. Leber said.

Approval of Hot Tea involves a fundamental change in the country's airline industry and Swissair is taking the potential challenge seriously. It has set up a project under the name of Swissair Light to consider a new low-cost, no-frill subsidiary to service the Zurich-Geneva route.

Industry sources said Swissair was likely to offer a shuttle service run by Crossair AG, its regional airline subsidiary.

Mr. Leber has already received landing and take-off slots for his project, including a morning flight that would leave Zurich 45 minutes before the first Swissair flight.

The cost of a Zurich-Geneva return ticket on Hot Tea would be 240 Swiss francs ($187), 40 percent below Swissair's price of 398 francs and only slightly higher than the 194 francs it costs for a first-class train ticket.

"Based on other cost calculations, we realized we could offer the same route much cheaper," Mr. Leber said.

Swissair said it was not making money on the route, partly because it carries many transit passengers from Geneva who take long-haul flights from Zurich.

Mr. Leber admitted that a drawback for Hot Tea is passengers would have to wait until their scheduled flight, while on Swissair there are from 12 to 16 daily flights to choose from if for travelers whose schedules change.

Despite the inconvenience, Mr. Leber said he expected business people to represent about 60 percent of his customers.

Metall Sells Transport Subsidiary

Compiled by Our Staff From Dispatches

FRANKFURT — Metallgesellschaft AG, the German metals and mining company, announced its second major asset sale in three days, wrapping up a planned program of disposals just two weeks before the end of its financial year.

Metallgesellschaft, which was near bankruptcy in January, said it was selling its 65 percent stake of Lehnkehring Montan Transport AG to VTG Vereinigte Tanklager & Transportmittel GmbH, a transport unit of Preussag AG.

The sale will take effect Sept. 30, pending the approval of the Federal Cartel Office.

"The sale of LMT is part of the strategic reorganization of Metallgesellschaft," it said. "As we're concentrating on our trading, plant construction, chemicals and financial services, transport services are no longer part of our core activities."

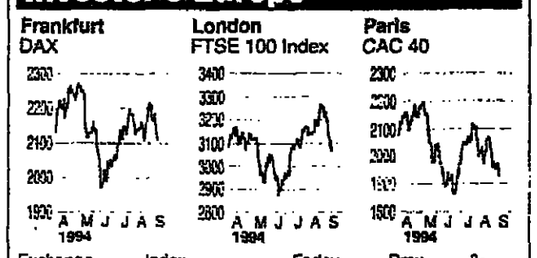
The news followed the announcement Wednesday that Metallgesellschaft had found a buyer for its 47 percent stake in Kolbenschmidt AG.

The two deals together will bring in around 370 million Deutsche marks ($239 million) of cash for the German metals conglomerate, which ran into billions of marks of losses on U.S. oil deals late last year and is undergoing a restructuring.

The company has already said it will need cash because it has eroded all of its reserves and part of its capital.

In a series of deals Metallgesellschaft has also sold its downtown Frankfurt site and has freed itself of Castle Energy Corp. of the United States. *(Reuters, AFX)*

Investor's Europe



Exchange	Index	Friday Close	Prev. Close	% Change
Amsterdam	AEX	407.58	411.61	-0.98
Brussels	Stock Index	7,395.17	7,375.55	+0.27
Frankfurt	DAX	2,118.73	2,113.99	+0.22
Frankfurt	FAZ	605.62	603.07	+0.32
Helsinki	HEX	1,908.02	1,897.43	+0.56
London	Financial Times 30	2,388.90	2,426.80	-1.57
London	FTSE 100	3,065.10	3,112.70	-1.53
Madrid	General Index	303.69	300.98	+0.90
Milan	MIBTEL	10784	10651	+1.25
Paris	CAC 40	1,924.59	1,977.30	-2.67
Stockholm	Affaersvaerlden	1,853.17	1,865.08	-0.64
Vienna	Stock Index	447.77	453.05	-1.17
Zurich	SBS	926.07	932.83	-0.72

Sources: Reuters, AFP International Herald Tribune

Very briefly:

• **Zurich Insurance Group** said first-half gross premiums rose to 14.2 billion Swiss francs ($11.1 million) from 13.6 billion francs a year earlier.

• **Renault SA**'s chairman, Louis Schweitzer, said he expected French new car sales to be up by 13 percent to 14 percent this year. He also told the Journal des Finances weekly that Renault's 1994 net profit would be significantly higher than in 1993, when it earned 1.04 billion francs ($197 million).

• **Geest PLC** said a storm in the Windward Islands removed 40 percent of the country's banana production, wiping out a major source of the company's supplies for this year and next.

• **Akzo Nobel NV** announced the sale of its **Nobel Pharma** chemistry unit to the U.S. company **Cambrex Corp.** Akzo Nobel also said its German subsidiary **Akzo Nobel Faser AG** would sell 51 percent of its stake in **Kunstextil GmbH** to **Textilwerke Deggendorf GmbH.**

• **The European Union** will decide within the next week whether to impose anti-dumping duties on color television sets from China, South Korea, Singapore, Thailand, Malaysia and Turkey.

AFP, Reuters, AP, Bloomberg, AFX

French Researchers Develop Plastic Transistor

By Warren E. Leary
New York Times Service

French researchers have developed a paper-thin plastic transistor that contains no metal, which they said may lead to computer screens that roll up like window shades.

In a report Friday in the journal Science, the scientists said they had used printing techniques to assemble thin layers of materials into semiconductors that channel electrical charges. In place of metal electrodes, graphite inks carry electricity.

Such techniques might be used to make flexible sheets of plastic film embedded with transistors that could be the basis of computer displays or bendable, credit-card sized computers, the scientists said.

One possible use, they said, would be to imbed transistors in the windshields of cars and aircraft to display information.

Large, inexpensive semiconducting panels could make possible the manufacture of cheap solar cells for gathering electricity.

Scientists around the world are working on ways to produce thin films of semiconducting material, the foundation of the transistors and circuits that make up computer chips.

Francis Garnier and his colleagues at the French National Center for Scientific Research said their polymer transistors were so flexible that there was no ill effect on electrical characteristics when they were repeatedly rolled up, bent and even twisted at 90-degree angles.

"Organic-based devices will not replace traditional silicon-based semiconductor devices," Mr. Garnier said.

AIR: *Shootout at Cut-Rate Corral as United Offers Challenge to Southwest*

Continued from Page 9

Airlines acquired AirCal and USAir bought PSA.

Roberts, Roach & Associates, a transportation-consulting firm in Hayward, California, said in a recent study that Southwest and United would share 70 percent or more of traffic among cities in California, the most heavily traveled corridor in the country with 80 percent more traffic than Boston-New York-Washington.

The company also predicted that traffic in the California corridor would increase by 63 percent, to 20 million passengers a year, by 2000, when nearly all passengers would be traveling on low-fare airlines.

On United, passengers need only ask for a window or aisle seat. United also said its international route network makes its frequent-flier program enticing to travelers.

Southwest countered that its research suggests that passengers care less about assigned seats than about service, and Southwest has consistent good rankings among airlines in complaint rates, lost baggage and ontime performance.

In the 14 markets where United will begin its new service by December, its market share fell from 38 percent in 1991 to 30 percent in 1993. Southwest's share increased to 45 percent from 26 percent.

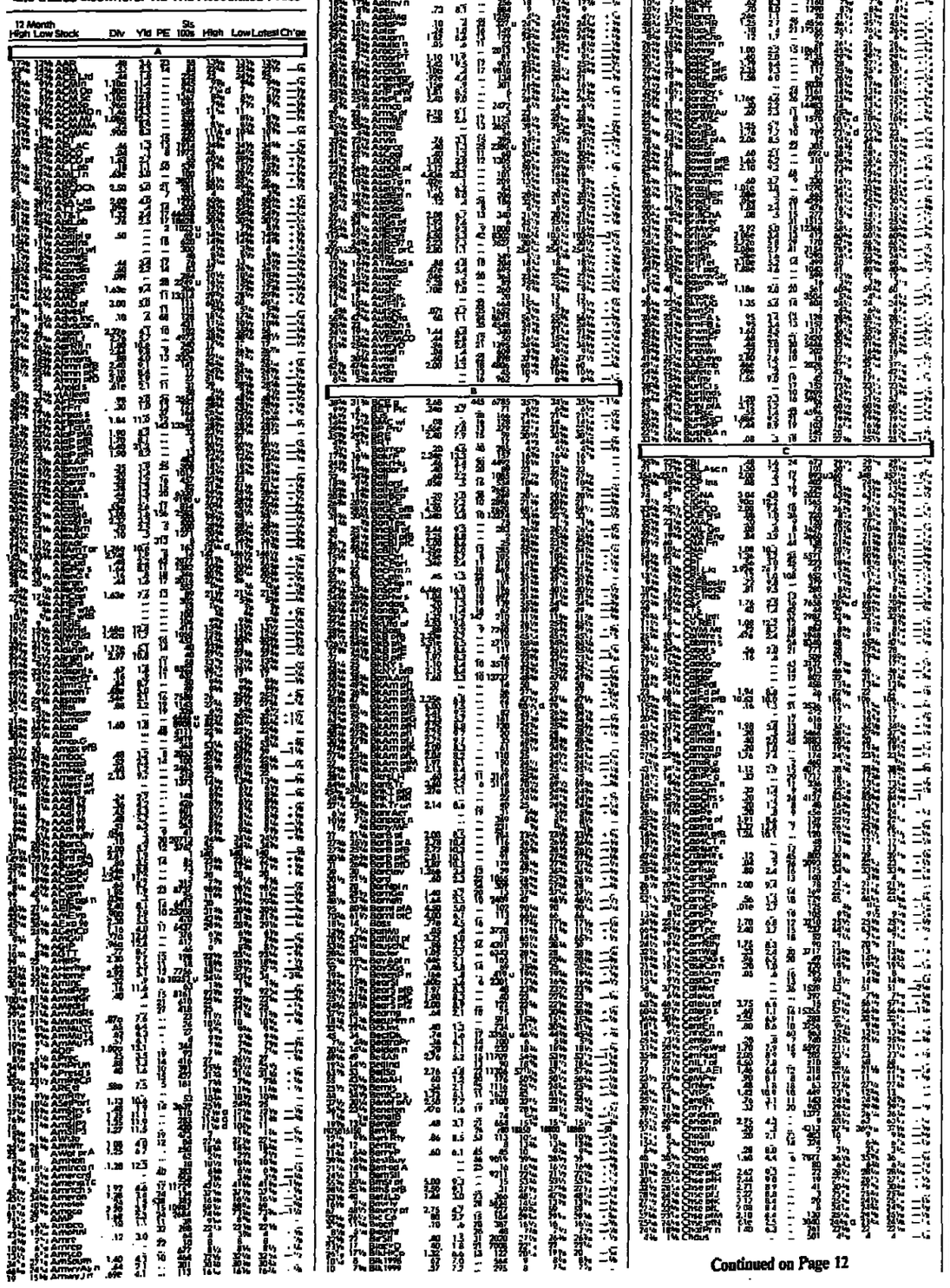
United has spent weeks figuring out ways to cut costs enough to get close to its goal of flying one seat one mile for 7.4 cents, compared with the cost throughout its domestic system in the first quarter of 9.28 cents.

In the first quarter, Southwest's costs were 7.19 cents per available seat-mile.

NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*



Continued on Page 12

NYSE

Friday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	12 Month Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

2 Jardine Units To Join Exodus From Hong Kong

Compiled by Our Staff From Dispatches

HONG KONG — Two units of the Jardine Matheson group said Friday they would delist their shares from the Hong Kong Stock Exchange, bringing to five the number of companies in the conglomerate that plan to diminish their exposure to the colony before its scheduled 1997 return to Chinese control.

Hongkong Land Holdings Ltd. and Mandarin Oriental Hotel Group Ltd., in disclosing first-half profit figures, said their shares would not be traded in Hong Kong after March 31.

The companies said that their chief listings would continue to be in London and that they would also trade in Luxembourg, Singapore and Australia.

Jardine's Dairy Farm International Holdings Ltd. announced similar plans Thursday. The parent company, Jardine Matheson Holdings Ltd., and its affiliate Jardine Strategic Holdings Ltd., previously said they would delist at the end of the year.

The various companies blamed the move on the Securities and Futures Commission's refusal to exempt Jardine and its units, which are domiciled in Bermuda, from Hong Kong takeover regulations.

But the delistings are widely seen as a vote of no-confidence in Hong Kong's future under Chinese rule by the territory's biggest British-controlled trading and investment house.

China has attacked the founders of Jardine for their involvement in the opium trade. More recently, the company, identified with Hong Kong's British heritage, has remained independent of China, unlike many of rivals that have developed close ties to the mainland.

Hongkong Land is the biggest landlord in Hong Kong's Central financial district. One of its properties houses the Hong Kong Stock Exchange.

Mandarin Oriental runs hotels in Southeast Asia, the United States and the Caribbean.

Hongkong Land said it made $181.9 million in net profit in the six months that ended June 30, up almost 10 percent from $165.9 million in the corresponding period a year earlier.

Mandarin Oriental reported $22.7 million in after-tax profit, up almost 16 percent.

The shares of both companies fell ahead of the delisting announcements, which were made after the market closed. *(AFP, Knight-Ridder, Bloomberg)*

A Dim View of Huaneng

Power Company Turns Off Investors

Bloomberg Business News

HONG KONG — Investors have given a cool response to China Huaneng Power International, whose imminent U.S. stock listing wasdescribed as substantially overpriced by analysts.

"Power can be a profitable investment, but not on these terms and not at this price," said Lily Wu of Bankers Trust Co.

Many fund managers are balking at the $22.50-to-$27.50 asking price for each of Huaneng Power's 31.25 million American depositary receipts.

"We're about 10 percent there," said Gerrit Heyns of Lehman Brothers, which is global coordinator for the issue. "People have responded by saying that the issue is pricey, but I think it's a bit early to make prognostications about how well or badly it's doing."

Each depositary receipt represents 40 "N" shares of Huaneng Power, the second of five Chinese state companies selected by the authorities earlier this year to list in New York.

Huaneng Power hopes to raise about $800 million, making it China's largest foreign stock offering ever.

About 15.6 million depositary receipts are being earmarked for U.S. and Canadian investors, 7.8 million for Asia and 7.8 million for other investors, including Europe.

Robert Furdak, senior vice president of State Street Global Advisors, said he looked at the issue for his $30 million emerging-market mutual fund, but with a price in the mid-$20s, "it is too expensive."

The asking price puts Huaneng Power shares at a 1995 price-to-earnings ratio of between 17 and 22 against about 12 for Shandong Huaneng Power Co., which was listed on the New York Stock Exchange at $14.25 last month and closed Thursday at $12.50.

Trading has all but dried up in Shandong Huaneng, which owns and operates four power plants in eastern China. "Shandong Huaneng's downfall was that it was the U.S. investors who didn't come out for it," Ms. Wu said.

"The lack of trading volume shows there is still a lack of interest in China's power industry on these terms," she said.

Both power companies are controlled by the Huaneng International Power Development Corp., which reports directly to the government.

Mr. Heyns contended that comparisons between the two power companies were invalid since Huaneng Power had a nationwide mandate and could seek lucrative power projects anywhere in China. Huaneng Power owns and operates five power plants with a capacity of 2,900 megawatts.

> **'Power can be a profitable investment, but not at this price.'**
>
> **Lily Wu, Bankers Trust Co.**

The company is also developing five power projects with a planned capacity of 3,900 megawatts and will acquire three more projects this year currently under development, according to a preliminary prospectus.

Huaneng Power plans to become China's market leader in coal-fired power by expanding operations in booming coastal provinces and the Yangtze River basin.

The company also offers impeccable political connections, notably in the form of its vice president, Li Xiaopeng, son of the Chinese prime minister, Li Peng.

U.S. Sues Japanese Contractors

Compiled by Our Staff From Dispatches

TOKYO — The United States on Friday sued 53 Japanese contractors, alleging they had rigged bids for projects at a U.S. naval air station southwest of Tokyo.

The suit, filed by the U.S. Justice Department in Tokyo District Court, seeks more than 544 million yen ($5.5 million) in compensation.

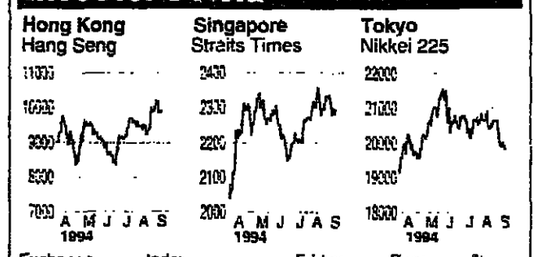
According to the suit, the United States suffered damages due to the companies' formation of a bid-rigging group for projects at the Atsugi naval air station between December 1983 and 1990.

The suit alleges the bid-rigging violated Japan's Anti-Monopoly Law and Civil Code and resulted in unfairly high prices.

In August, Washington proposed a settlement under which companies that won Atsugi contracts would pay back 22.4 percent of their successful bid price. A few companies settled, but most rejected the proposal, according to reports. A U.S. source close to the case said the decision to sue followed the failure of the companies named in the suit to settle out of court.

The United States has repeatedly charged that bid-rigging is a long-standing Japanese practice, which acts as a trade barrier in the construction market. *(Reuters, AP)*

Investor's Asia



Exchange	Index	Friday Close	Prev Close	% Change
Hong Kong	Hang Seng	9,968.52	9,862.64	+1.07
Singapore	Straits Times	2,297.18	2,280.84	+0.72
Sydney	All Ordinaries	2,059.00	2,050.80	+0.40
Tokyo	Nikkei 225	19,796.26	19,919.38	-0.62
Kuala Lumpur	Composite	1,185.27	1,176.06	+0.78
Bangkok	SET	1,546.24	1,534.04	+0.80
Seoul	Composite Stock	1,000.80	988.75	+1.22
Taipei	Weighted Price	6,981.20	6,989.97	-0.13
Manila	PSE	2,942.38	2,954.46	-0.41
Jakarta	Stock Index	525.63	522.03	+0.69
New Zealand	NZSE-40	2,111.87	2,093.20	+0.89
Bombay	National Index	2,191.36	2,176.43	+0.69

Sources: Reuters, AFP International Herald Tribune

Very briefly:

• **Bridgestone Corp.** of Japan, a major tire maker said it would set up three companies in Poland, Czech Republic and Hungary with **Mitsui & Co.** to develop sales in Eastern Europe.

• **Japan's** industrial production in July shrank 1.7 percent from June and contracted 0.6 percent from a year ago, the Ministry of International Trade and Industry said in a revised report.

• **Taiwan** is to relax controls on capital flows for outgoing and incoming investment applications as part of its economic liberalization program, the **Central Bank of China** said.

• **Emperor International Exchange Co.**, part of Hong Kong conglomerate **Emperor Group**, said it faced an investigation by the **U.S. Commodity Futures Trading Commission** over an alleged sale of illegal currency futures in the United States.

• **Hughes Aircraft Co.**, a unit of **General Motors Corp.**, said it had launched plans for several leading-edge technology projects in China. *AFP, AP, Bloomberg*

Seoul Lets 2 State Firms Apply for NYSE Listings

SEOUL — South Korea's finance ministry said Friday that it would let Pohang Iron & Steel Co. and Korea Electric Power Corp. seek listings on the New York Stock Exchange.

The two foreign listings would be the first for South Korean companies.

A finance ministry official said the two state-run companies likely would issue depositary receipts worth a total of $300 million each for listing on the New York exchange. They are expected to apply next month.

South Korea's Securities Exchange Commission approved a draft of overseas listing regulations Friday, paving the way for companies to seek listings in New York, London and Tokyo.

Pohang Iron & Steel reported a profit of 1.32 trillion won ($1.65 billion) on sales of 6.92 trillion won last year.

Korea Electric Power posted 419.3 billion won in profit on sales of 7.52 trillion won last year. *(Reuters, AFX, AFP)*

Malaysian Investment Arm Gets Shares

Bloomberg Business News

KUALA LUMPUR — The government said Friday it had transferred stakes in five listed companies to Khazanah Holdings, its new investment arm.

Khazanah received the stakes from Minister of Finance Inc., a legal instrument used by the government to administer control over its companies.

Neither Khazanah nor Ministry of Finance Inc., in statements to the Kuala Lumpur Stocks Exchange, disclosed whether Khazanah had paid for the shares.

The Malaysian cabinet created Khazanah on April 27, saying it intended to model the new holding company on Singapore's state-run investment agency, Temasek Holdings.

Khazanah is itself fully owned and controlled by the government through Minister of Finance, but unlike that concern, it is a registered company with a board taken largely from private business.

In June, the cabinet appointed Mohamad Sheriff Kassim, former secretary-general of the Finance Ministry, to chair the company.

Prime Minister Mahathir bin Mohamad drew some criticism in August when stockbroker Rashid Hussain was appointed to the Khazanah's board. Other brokerages suggested there was a conflict of interest.

Khazanah now holds a 40 percent stake in Telekom Malaysia Bhd., the former national telephone company that was listed on the exchange in 1990; 40 percent in former utility monopoly Tenaga Nasional Bhd., listed in 1992; and 38.6 percent in HICOM Holdings Bhd., the heavy industries company, listed in 1993.

Khazanah has also taken over Ministry of Finance Inc.'s entire 17.8 percent stake in the car manufacturer Perusahaan Otomobil Nasional Bhd. and its entire 16.1 percent stake in the car distributor Edaran Otomobil Nasional Bhd.

Minister of Finance has retained a 26 percent stake in Telekom, 23 percent in Tenaga, and 10 percent in HICOM.

■ Malaysian Stocks Rise

Speculative buying and some institutional demand in key blue-chip stocks pushed Malaysia's benchmark stock index to an eight-month high. The composite index rose 9.21 points on Friday, to close at 1,185.27, Reuters reported.

Second Java Power Plant Set

The Associated Press

JAKARTA — A Hong Kong company signed a contract Friday to build and operate a $2 billion power plant in Java, becoming the second private concern to do so in Indonesia.

The Consolidated Electric Power Asia Ltd. is to build two 660-megawatt coal-fueled generators at Tanjung Jati in central Java by 1998.

The company is to provide 20 percent of the investment equity. The rest is expected to come from U.S. and Japanese banks.

A consortium of American, Japanese and Indonesian companies last week started building a $2.6 billion coal-fired plant in eastern Java.

NASDAQ

Friday's 4 p.m.

This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
		A								
18½	6	AADN		...	21	147	13¾	13½	13⅞	+¼
22¼	12	ABC Rail		...	...	1310	u22¾	21¾	22¼	—⅛
30	14¾	ABT Bld		...	10	175	16½	15¾	15¾	—⅝
26¼	17¾	ACC Cp	.12a	.6	13	377	19	18¾	18½	—¼
24	9½	ACS En s		...	...	104	14¼	13¾	14	+¼
42	30½	ACX Tc		...	30	56	33	32½	33	...
47¾	31	ADC Tel		...	32	896	44¼	44	44½	+1
17¼	10½	AES Chn		...	...	348	12⅛	11½	11½	—⅝
23¾	15¾	AESCo s	.68f	3.9	16	1885	18	17¼	17¼	—¾
32	19¼	AK Steel		...		1704	30¼	30	30¼	+¼
29¾	15¼	APS Hld		...	13	954	28¼	27½	27¾	
15¾	6¼	ASK		...	...	172	13¼	13	13⅛	—⅛
33	12	AST		...	11	5568	14⅛	13⅞	14	—⅛
29½	14½	AbbeyH		...	34	1485	18⅛	17¾	18⅛	+⅛
31¾	12¼	Acclaim		...	20	12343	18¾	18	18¼	—⅛
27¼	13	AcmeMet		...	10	907	25	23¼	25	+½
19½	7½	Actel		...	32	1520	10⅝	10	10⅜	—⅜
14¾	6¼	AdacLb	.48	5.7	9	325	8⅝	8¼	8⅜	—⅛
22½	13¼	Adaptc s		...	17	17406	20¼	19½	20¼	+⅜
26½	10	Adelph h		...		576	14½	13¾	13¾	—¾
37½	20	AdiaSv	.16	.4	19	42	36¼	36¼	36½	...
34½	16¼	AdobeSy	.20	.6	30	17324	u35½	34	34¾	+¼
12½	4½	AdvPro		...	...	296	6	5¾	6	...
11½	4¼	AdvTiss		...	...	780	6⅝	6⅜	6⅝	...
46¾	26½	Advanta s	.20	.6	14	920	32¼	31½	32¼	+¼
38½	25	AdvantB s	.24	.8	15	445	30½	30	30	...
16¾	10	Agnico g	.10e	.8	57	395	13¼	12¾	13⅛	+⅜
16¾	8⅞	Agouron		...	...	118	12¾	12¼	12¼	+⅛
14⅛	1⅞	AirMeth		...	...	542	3⅛	2¾	3⅛	+¼
63¾	45¼	Akzo	1.74e	2.9	...	253	60¾	60	60⅛	—⅝
21⅝	9¼	Alantec		...	...	78	15	14¼	14¼	—½
28¼	18¼	Albank	.40	1.6	13	101	26	25¾	25¾	—¼
19¼	11⅝	Aldila s		...	22	1122	12¾	12⅛	12¼	—⅜
28¼	23	AlexBld	.88	3.5	17	946	26	25⅛	25½	—½
21⅞	6¾	AliasR		...	30	7464	20½	19⅛	20½	—⅝
3⅞	1¾	AllASem		...	13	2625	2⅝	2¼	2¾	—⅛
12¾	7¾	AllianPh		...	...	646	9	8¾	9	...
21½	7½	AlnSemi		...	27	291	21½	20¾	21¼	...
32¾	22¾	AlliedGp	.60	2.1	7	54	30	29¼	29½	—⅛
22½	13¼	AlldHlda			8	9	16¾	16½	16¾	...
24¼	1	Alphal				492	1⅛	1	1⅛	—⅛
[illegible]										
13½	8⅝	BlckBx s		...	15	14	12½	11¾	11½	...
35	26¾	BoatBn s	1.36	4.0	11	2909	34	33⅝	34	...
23½	17⅞	BobEvn	.29	1.3	18	860	21⅝	21⅛	21½	+⅛
14½	9¼	BookM s		...	35	354	14	13½	13⅞	+⅜
27	12½	Boomtwn		...	617	1942	19	17¾	18½	+¾
18¼	8½	Borlnd		...	...	4621	12½	12⅛	12⅜	+1/16
25½	16⅛	BostCh s		...	89	4452	21¼	19¾	20⅝	—⅜
14¾	6⅜	BostTc		...	34	3466	13½	12⅞	13 5/16	+⅛
14⅞	7½	BoxEn B		...	43	1124	9	8⅝	8¾	...
15¾	7½	BriteV		...	31	812	14⅛	13⅝	13⅝	—½
52½	11	BrdbdTc		...	...	1463	18¾	17½	18⅛	—⅞
59½	31½	BrodSf		...	59	3578	57¾	55	55⅝	—2⅝
21¾	9¼	BroGour		...	...	209	14⅛	13¼	14⅛	+⅜
16½	10½	BrTom		...	210	4786	13	11⅝	12⅝	+⅝
11⅝	6⅞	Brunos	.26	2.7	20	14232	9¾	9¼	9⅝	+⅛
27½	15½	Buffets		...	25	2231	19½	18½	19	—½

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
18¾	11½	BuildT		...	20	141	12¾	12¾	12¾	—¼
16½	10	CAI Wre		...	...	42	13	12¾	13	+½
33½	21¼	CTEC		...	...	493	29½	27½	29½	—2
10⅞	4¾	CACI		...	19	1207	u11	10⅝	10⅝	...
32½	25⅜	CadbyS	1.17e	4.0	...	361	29⅝	29	29⅝	+⅜
11⅛	5½	Caere		...	...	695	8⅝	8	8½	+⅛
17⅝	8¾	Calgene		...	...	4002	10¼	9⅞	10	—¼
23½	9¼	CalMD		...	23	2823	14⅜	13⅝	14½	+⅜
31¼	16½	CalMic		...	21	910	25	24¼	25	...
34	20¼	CWineA		...	21	1528	33⅜	32¾	33⅛	—⅛
90½	59¼	Canon	.31e	.4	46	9	86⅝	86¼	86⅝	+½
20	14½	Caraustr	.36	1.9	16	x447	19½	18¾	19¼	+¼
21	15¼	CardinHz		...	62	1681	17⅜	16⅝	16⅝	—½
14¼	5¼	Coreline		...	...	823	6⅝	6⅜	6⅜	+⅛
22	10¾	CorsPir		...	...	277	21⅞	21⅝	21⅞	...
13⅞	9⅜	Caseys s	.08	.7	15	4110	11¾	11	11¾	+⅝
25	9¼	CasAm s		...	9	880	12¾	12	12¾	+½
36	13¾	CasinoDS		...	24	862	25½	24¼	24⅞	...
21¼	5⅛	CasMagic		...	11	4016	8⅜	7⅝	7⅞	—⅜
25	7½	CastlE s		...	3	150	17¼	16⅜	16½	...
19¾	8	CatnStr		...	13	1146	11⅝	10½	11¼	+⅝
24¾	9	CatoCp	.16	1.4	16	5854	12⅛	11	11¾	+⅝
21	12	Celadon		...	31	25	19¾	18¾	18¾	—1
34¼	13½	Celestial		...	12	980	18⅛	16⅜	16⅞	—1⅜
36½	17¼	CellPro		...	...	168	24¼	23¾	24¼	...
20¾	9⅛	Cellstar		...	18	585	15⅝	15	15⅝	+⅜
58½	40¼	CelCmA		...	...	728	53¾	52¼	53¾	+¾
34⅞	18⅜	CelCmPR		...	...	1094	u35¼	33⅝	35	+⅜
24¾	4⅜	CellrTc s		...	...	1076	13⅛	12¼	12 15/16	+9/16
24¾	14	CentCel		...	...	472	17⅜	17	17⅜	...
43	10	Centgrm		...	14	4218	17	16	16½	...
17½	7⅝	Centocor		...	...	19477	17½	16⅝	17	—½
34½	25¾	CFidBk	1.12	3.4	12	1080	33¼	32½	33	—¼
19½	8	Cephln		...	...	266	12	11½	11¾	—¼
49½	23½	Cerner		...	37	236	42⅛	40⅝	41½	+⅛
36½	18⅛	Cervecer	.43e	1.7	26	813	24⅜	23⅝	24⅜	—⅜
14⅝	7⅜	ChrmSh	.09	1.0	14	6034	9⅜	8⅝	9	—⅜
25	17¾	ChtOnF s	.60	2.6	9	1212	23¼	22½	22¾	—⅛
15	3¼	Checkers		...	36	1648	5⅛	4⅞	5	—⅛
24¾	13½	Chesck s		...	30	344	17½	16⅝	17¼	—¼
19	8	Chicos s		...	13	2733	9½	8⅞	8⅞	—⅝
60⅛	31½	Chipcom		...	38	3423	58⅛	54⅛	57⅛	+3
7¼	3⅝	ChipsTc		...	28	1628	4⅜	4½	4½	—⅛
96	50¾	Chiron		...	121	12474	72¾	68⅜	72½	+3
21½	6⅝	Chrmd s		...	69	2013	12⅜	11½	12½	...
27	15	Cidco		...	...	1059	u27⅜	26¼	27¾	+1⅝
61½	50	CinnFin	1.28	2.4	16	447	54	53⅛	54	+⅜
34½	25	Cintas	.17	.5	30	1880	33½	32¾	33½	+¼
15	8½	Circon		...	19	692	13⅝	12⅞	13½	+½
44⅜	24⅜	Cirrus		...	15	7681	30⅛	29⅜	29½	—⅝
40¾	18¾	Cisco s		...	22	34773	27	25⅝	26½	—½
28	11¾	Clinicom		...	40	913	20⅜	20¼	20⅜	+⅛
21¼	13	ClubCar		...	...	225	16	15¼	15½	—¼
42	25	CstHlth		...	35	3736	33¼	32⅜	33	...
55	25	Cobra		...	35	2926	55	53¼	53¾	—⅜
41½	24	CocaBtl	1.00	3.5	20	23	29	28¼	28½	...
24⅝	16	Coflexip	.31e	1.3	...	17	23⅝	23	23	—⅜
29	11	Cognex s		...	27	4731	20	19½	19⅝	+⅛
14¼	7¾	Cognos g		...	37	1186	12⅜	12¼	12½	—1/16
15¾	11	Coherent		...	21	217	13⅜	13¼	13⅜	...
[illegible]										

AMEX

Friday's Closing

Tables include the nationwide pnces up to the closing on Wall Street and do not reflec tlate trades elsewhere. *Via The Associated Press*

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	Latest	Ch'ge
		A								
9½	8	AIM Str	.51	6.2	...	51	8¼	8¼	8¼	...
37	23½	ALC		...	22	890	35	34½	34⅝	...
12⅝	8¼	AM Intl n		...	...	4	u12¼	12¼	12¼	+⅛
14⅛	9¼	AMC		...	17	14	11½	11½	11½	—⅛
26¼	20¼	AMC pf	1.75	7.3	...	2	24	24	24	—⅛
5	2¼	ARC		...	7	135	2¼	2⅛	2⅛	—⅛
5¼	1⅞	ARI Hld		...	3	9	5¼	5	5	—¼
26½	22	ARM F pf	2.38	10.1	...	12	23⅝	23⅝	23⅝	+⅛
3	1⅛	ASR	.18e	8.5	...	90	2¼	2⅛	2⅛	...
75⅝	61⅛	ATT Fd	2.72e	4.0	...	109	67¾	67¼	67¼	—⅛
8⅜	4	AckCom		...	24	48	6⅝	6⅛	6¼	—⅛
3⅛	1⅞	Action		...	119	13	2⅜	2⅛	2⅜	+⅛
6	1¼	AdvFin		...	...	56	2⅜	2¼	2¼	—⅛
17¼	10¼	AdvMed		...	50	67	14¼	13⅞	14½	+¼
2½	⅞	AdvMedT		...	4	308	[illegible]	[illegible]	[illegible]	
10¼	3¼	AdMd pf		...	...	29	10	10	10	—⅛
5⅜	1½	AdvPhot		...	...	64	2⅛	2	2⅛	+⅛
3¼	2⅛	Aeroson		...	6	30	2¼	2⅛	2¼	—⅛
[illegible]										
		W-X-Y-Z								
23¾	17⅜	WRIT	.92	5.1	22	169	18¼	17⅞	18	...
14¾	8	Withird		...	19	2168	12⅜	12	12	—⅜
5⅜	2⅞	WelGrd		...	...	30	3⅜	3¼	3⅜	—1/16
1⅛	⅛	WendtBr		...	...	11	5/16	1/16	5/16	
145	113¾	Wesco	.98	.8	46	30	118	118	118	+½
9⅜	5⅜	WstBrC		...	10	43	9½	9⅜	9½	...
15⅝	12¼	WIRET	1.12	8.7	13	568	13	12¾	12⅞	+⅛
2⅛	⅜	WichRO		...	35	105	1⅛	1⅛	1⅛	—1/16
21⅝	1¼	WlshTC		...	...	139	3⅛	2⅝	2⅝	—7/16
3½	9/16	WinstRs		...	16	81	1 11/16	1⅝	1 11/16	+1/16
18½	3¼	WirelessT	.30	1.6	48	495	u20	18½	19¼	+1
74⅜	59¼	WisP pf	4.50	7.4	...	230	60¾	60¾	60¾	—½
8¾	6	WolfHB	.28	4.1	9	2	6⅞	6⅞	6⅞	
32	20½	Worthn	.60	1.9	13	283	31⅞	31¾	31¾	—⅛
1 5/16	⅜	XCL Ltd		...	...	3139	1¼	1⅛	1¼	—1/16
10⅜	3⅝	Xytron		...	...	132	4 11/16	4½	4 11/16	...
19	15⅜	Ziegler	.52a	3.0	11	5	17⅝	17⅝	17⅝	...

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.

هكذا من الأصل

Herald INTERNATIONAL Tribune

THE HOTMONEY REPORT

Saturday-Sunday, September 17-18, 1994
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FIRST COLUMN

Of Money, Steel Nerves And Genius

THE structure of investment catastrophe is as familiar as the journalistic voice in which it is typically reported. The commentaries are usually cruel, cold, and imbued with the kind of counterfeit wisdom that only comes with hindsight. But when one looks at the behavior of the investors — foolish victims that they are — the light sarcasm and lack of sympathy often seem somehow justified.

First comes the clever marketing (if the product is fraudulent, this will involve outright deceit). Then comes the subtle conspiracy between marketeer and consumer. The investors actually want to believe the fantastic claims made. They want to discover an icon of outstanding financial genius, especially if the genius cloaks himself in secrecy and refuses to reveal his methods.

How else, for example, can one explain the numbers of Russians who invested in the MMM trading company this year without even knowing what assets the company was supposedly buying? Swept along by television advertising and the euphoria created by a share price that grew by 5,000 percent in six months, investors poured millions into the company.

Of course, there is another explanation for all this: naivety. The Russians were new to the wicked wiles of capitalism and believed where more experienced investors would have remained skeptical.

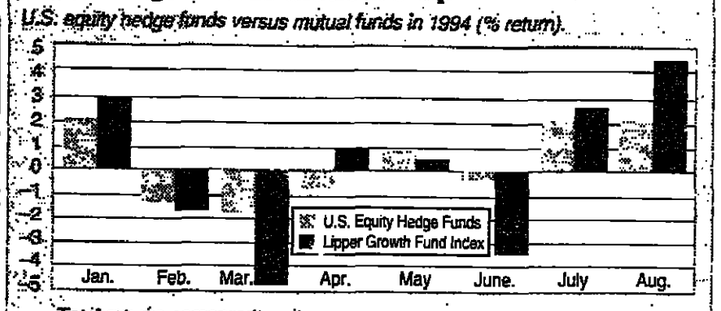
Maybe. But even the wisest investors commit capital to investment companies whose policies they don't know or don't understand. This is arguably the case with those who invest in hedge funds. Few would have the temerity to pretend to understand the detail of what many hedge fund managers do. They may have an idea about the principles, but then so did MMM investors. So too did investors in New York real estate in the 1980s, as did pre-crash stock investors.

None of which means that hedge funds are a fraud. Far from it. These funds are a reasonable investment risk for those with money and nerve. But, as recent investment performance underlines, those who invest in them may not be as smart as they think. And, when you look at those figures, maybe the managers aren't geniuses either.

M.B.

How Hedge Funds Measure Up

U.S. equity hedge funds versus mutual funds in 1994 (% return).



Total returns compared

	Hedge Funds	S&P 500	U.S. Mutual Funds
1993	27.26%	10.07%	14.25%
1992	15.83	7.77	6.80
1991	25.45	30.48	36.15
1990	10.97	-3.14	-3.82
1989	24.99	31.58	28.56
1988	22.59	16.50	15.74
1987	14.49	5.24	1.02

*Based on gross information supplied by 200 hedge funds.

Sources: E. Lee Hennessee Group/Republic New York Securities, Lipper Analytical.

A Primer on Market Arcana

By Martin Baker

WHATEVER else they are, hedge, derivative, guaranteed, swap and futures funds are very fashionable. So much so that their names have been twisted and stretched beyond all recognition. This is a phenomenon of the modern market in financial services and tends to occur when marketing executives decide they have a "sexy" concept. The next step is to stretch that seductiveness to cover some extremely ordinary products.

So what are these funds that made so much money last year?

- Hedge funds — As stated in the accompanying article, this term has been stretched even further than most. The original idea of the hedge fund was to offer counter-intuitive investment opportunities. The classic hedge strategy was to play against mainstream market trends and to use contracts such as futures and options to gain maximum rewards for that investment strategy. Hedge funds typically — but not necessarily — invest in derivatives.
- Derivatives funds — Managed derivative funds often operate a complex portfolio of thirty or more separate contracts. Some aim to follow market trends and accentuate gains while others seek to exploit "inefficiencies" in market pricing, claiming to make profits irrespective of market trends. The contracts used will be options, futures and (less commonly) warrants.

With options, a trader purchases the right to buy (a call option) or sell (a put option) a stock, bond, commodity or currency at a certain price within a certain time period. Futures are contracts to buy and sell commodities or financial instruments at an agreed price and quantity at a future date.

- Guaranteed funds — These normally use bond investments to guarantee return of capital after a period of years. The small percentage of investors' capital remaining is often then put into derivatives contracts with the objective of capital gain.
- Futures, Swap funds — Futures funds are managed derivatives vehicles that only invest in futures contracts. Swap funds rely on the skills of traders who swap one type of exposure (to, say, Italian fixed-interest debt) for another (say, floating-rate French franc debt). Derivatives contracts frequently form part of the swap strategy. Part of the swap deal might be a futures contract in Italian government bonds, as opposed to a holding of the bonds themselves.

Hedge Fund Universe Is Still Mysterious

By Philip Crawford

IT IS A QUESTION posed by many would-be investors as well as by some experienced ones: What exactly *is* a hedge fund?

Not knowing the answer is no cause for embarrassment. Last April, members of the U.S. Congress's House Banking Committee found themselves posing the same question to hedge-fund guru George Soros, whom they had invited to, in essence, educate them on the nature of this exotic investment beast. Mr. Soros replied, however, that the term "is applied so indiscriminately that it covers a wide range of activities."

While not precise, Mr. Soros's response does represent one key to understanding hedge funds: There are many different types that engage in a diverse range of investment activities. But that being stated, as Mr. Soros went on to say, there are also some basic similarities.

Generally speaking, hedge funds are investment partnerships of wealthy individuals that search the world for attractive investments in stocks, bonds and currencies. Minimum investment is typically $1 million, but can range from $250,000 to $10 million.

In the United States, hedge funds by law are limited to 99 partners — who must be "accredited investors" with a net worth of $1 million or an annual salary of $200,000 — and are prohibited from advertising. Hedge funds can also use investment techniques which are off-limits to mutual funds, for which there is no limit on the number of investors.

Another major difference from mutual funds, and perhaps hedge funds' most unifying characteristic, is that managers are compensated chiefly on the basis of performance. A typical yearly compensation formula is 20 percent of the fund's trading profits along with 1 percent of its assets under management. Moreover, hedge fund managers often invest large amounts of their own cash in the fund.

Analysts estimate that there are currently between 800 and 1,000 hedge funds globally with over $75 billion under management.

A big misconception, due in part to publicity generated by the huge profits (and huge losses) experienced by global "macro" funds such as Mr. Soros's Quantum Fund, is that all hedge funds have a similar, macro investment orientation. The truth of the matter, say experts, is that macro managers, whose premier investment aim is to profit from changes in global economies — typically, as they are reflected by shifts in interest rates — make up only about 25 percent of all hedge fund managers.

Hedge & Derivatives Funds

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Hedge fund performance
Will regulation be harmonized?
Some problems with derivatives

Another hedge fund orientation, for example, is the "short-only" fund, in which the manager solely takes short positions on individual securities. To short-sell a stock, or bet that it will fall in price, the manager borrows shares from a brokerage house and sells them to the market, receiving cash in return. If the share price goes down, as the manager hopes it will, he can then buy the shares back at the lower price, return them to their owner, and keep the remaining cash.

There are also "growth" hedge funds, specializing in growth stocks, "value" hedge funds, focusing on high value, out-of-favor stocks, and "distressed" hedge funds, which specialize in the securities of companies that are undergoing reorganization or bankruptcy proceedings.

Other styles include emerging-market hedge funds, which typically take "long" positions — hoping the share price will go up — in developing-country equities, and leveraged-bonds hedge funds, which use leverage to buy fixed-income securities, usually government issues.

A bit further into the realm of esoterica are convertible-arbitrage and risk-arbitrage hedge funds. The convertible-arbitrage style involves making long bets on convertible securities — corporate paper that can be converted to common stock — while selling short the underlying equities. Risk-arbitrage hedge funds buy shares in a company being acquired and, at the same time, sell shares in the acquiring company. If the takeover plan ultimately fails, large losses can result for traders.

Leverage, not permitted in U.S. mutual funds but utilized often by hedge funds, can involve investing with borrowed money — called buying on margin — or the use of derivative securities, which can often be bought with a small upfront payment. The basic idea is to control a large amount of money with a much smaller amount, which multiplies the potential for gain but, of course, for loss as well.

Macro hedge funds frequently make bets with derivatives — financial instruments such as futures, options and warrants whose value fluctuates according to the price movements of an underlying security or commodity — as opposed to using them simply as a hedge, as is more common with other types of hedge funds.

In one example of leverage, a fund might put up $100,000 of its own money and borrow another $900,000 to make a $1 million "long" bet on a stock. If the shares cost $1 apiece and their price goes up 10 percent, the shares would be worth $1.1 million and the fund would double its investment — minus the cost of the borrowed money. Conversely, if the shares were to fall 10 percent in value, the entire original stake would be lost. Macro hedge funds are often highly-leveraged

An example of leverage with derivatives could be the case of a bond "call" option that gives the buyer the right to purchase bonds with an underlying price of $100 at $110. If the bond's price climbs past $110, a few dollars worth of options would, in a sense, control hundreds of dollars worth of bonds.

Furthermore, say the options cost $1 each and the bond price climbed to $115. Each $1 option contract would then be worth $5 — a gain of 400 percent. The price of the option itself is typically a function of the underlying asset's volatility as well as market sentiment on how it will fare over the time period covered by the option.

Even though hedge funds utilize derivatives, they should not be confused with investment vehicles known as derivatives funds. That term typically refers to mutual funds or other types of collective investment vehicles that invest a large portion of their assets, usually over 50 percent, in derivative securities.

Clearly, direct investment in hedge funds is out of reach for all but the wealthy. But investors with significantly lower amounts of cash can gain access to them through another type of pooled-capital vehicle known as a "fund of funds." A fund of funds, also a partnership limited to 99 investors, typically accepts a wide range of stakes — often from $25,000 to $500,000 — and then invests the capital across several hedge funds.

The benefits of the fund of funds approach are the initial access to hedge funds, diversification across several of them, and the built-in expertise of the fund of funds manager. It is this manager's job to pick out the the best hedge funds to invest in.

That expertise, however, comes at a price: In addition to the hedge fund's own fee structure, fund of funds' investors usually pay their own manager an additional fee of 1 to 2 percent of their original investment.

Experts add that the "99 investors" rule that applies to both hedge funds and funds of funds, does not apply to such vehicles when they are based in offshore domiciles. Minimum investment requirements in offshore funds of funds also tend to be lower than those in onshore vehicles.

Derivatives Funds Mull New Changes in Strategy

By Rupert Bruce

MOST FUTURES FUNDS need trends to trade profitably, but trends have been few and far between in this year's financial markets.

Those patterns that did appear, moreover, have tended to work against traders. Hence, the industry has had a bad year with many futures funds turning in limp performances.

"Among the few bright spots have been the commodity prices that have risen: Brent crude oil, for example, rose from a low of $12.96 in February to $18.81 in July, according to the statistics concern Datastream, lending opportunity to investment managers who specialize in oil plays. On the other hand, trends in currency markets have been hard to identify as conditions have been highly volatile.

"It certainly has not been a particularly good year for the industry in terms of absolute performance," said Mark Fox-Andrews, managing director of London-based Mees Pierson Derivatives, a derivatives management firm.

The TASS CTA Index, which tracks the performance of 420 commodity-trading advisers (CTAs) around the world, was up 0.9 percent in the six-month period ending June 30. But CTAs have had a rough August. Nicola Meaden, managing director of the monitoring firm TASS Management, estimates from preliminary figures that the index has fallen 2 percent this year through the end of August.

The volatility of currency and bond markets during the first few months of the year hit many investors hard, and trading has been nervous and thin ever since. "I think they have been funny markets," said Mr. Fox-Andrews. "In particular, the last few months have been quite illiquid. After looking at the upsets in the first part of the year, I think people have been doing pretty little."

There have been exceptions, however. Local traders on the London International Financial Futures Exchange (LIFFE) have tended to perform well this year. One well-known trader, David Kyte, runs a managed account that is up about 40 percent this year.

"Local traders are able to pick up on the waves of fear that go around the markets," said Mr. Fox-Andrews. "They see the volume of orders coming and see the fear coming and ride on the back of it."

This year's troublesome markets have led a few futures fund managers to rethink their strategies and to hire foreign exchange traders from investment banks. In March, Nick Tsappis joined Gaiacorp, a Dublin-based futures-fund manager, leaving First National Bank of Chicago in London where he had been head of proprietary foreign exchange trading. Padraig Devlin joined Gaiacorp in July, leaving Bankers Trust. And these two, observers say, were just the first of a trickle of experienced traders leaving investment banks and joining fund-management companies.

John Demaine, a director of Sabre Fund Management in London, believes that the extremely lucrative performance-based pay that traders can earn at fund-management outfits — plus the advantages of working for a small firm — have helped tempt traders out of investment banks.

"I think that the individuals concerned have recognized that there are opportunities within the fund-management arena that they would not be able to exploit in the environment that they were in," he said.

But some futures-fund management companies are even questioning whether the returns from futures funds will ever be the same again. A popular theory is that so many investors are now playing the futures markets that a lot of the inefficiencies that once enabled them to make large returns have been ironed out.

"In terms of managed futures markets, I think, frankly, this may be true," said John Andrew, managing director of Man-GFA, part of ED&F Man's fund division. But he added that this was only true of some financial markets, making it all the more important to invest with firms that were constantly researching new ways to trade.

Derivatives Funds

*Ranked by performance January 1993 through June 1994**

	% return	Assets $million
Legacy Futures Fund L.P.	186.78	20.40
Grant Park Futures Fund	137.15	12.80
Liberty Global Fund	135.08	14.15
Hasenbichler Commod. AG	117.40	69.00
Grant Park Futures Fund II	106.20	11.76
Tactic Futures Fund	105.52	7.25
GNI-GLC Directional Program	86.32	114.65
Chesapeake Priv. Futures Fund	78.03	16.07
The Kyte Fund Ltd	77.32	7.19
Chesapeake Fund Ltd	75.91	38.73
APA Gamma Fund L.P.	72.65	13.25
JWI Global Strat. Ltd Ser. H	69.21	7.32

*For funds with $5 million or more assets.

Source: MarHedge.

'Macro' Is Losing Favor to Other Styles

MACRO hedge funds have fallen out of favor lately due to their poor overall performance this year, say analysts. And a logical question being asked in the markets concerns where the capital flowing out of macro funds is headed.

The answer, say many observers, is into other types of hedge funds.

Perhaps best-known of the macro funds is George Soros's Quantum Fund, which racked up big gains betting against the British pound in September 1992 and then suffered some big losses this year in currency markets. However, despite having lost 4.8 percent this year, according to fund-tracking firm Micropal, it is still one of the top-performing macro hedge funds. The reason is that many others are down by as much as 20 percent.

Picking up some of the money leaving the macros are smaller, more specialized funds. Among them are "plain vanilla" stock-picking funds that conform to the hedge-fund category because they take both long and short positions in the markets and compensate their managers chiefly as a function of performance.

Françoise Henry, who runs Crédit Agricole's Greenway guaranteed funds, which invest with a range of hedge managers, started to switch out of macro managers in February. She has chosen a number of less well-known hedge managers who specialize in U.S. distressed securities, risk arbitrage, and equities in Europe and Southeast Asia.

"What I've thought since the beginning of the year was that, first, the macro managers were getting too much money," said Miss Henry. "And, the second thing was that we were close to an end in the big move we had in interest rates going down, which had driven the financial markets; so, it would be difficult for them to perform so well."

Hedge Fund Returns by Category

*Total percentage returns in 1994.**

Hedge Fund Style	Year to date.	1st Qtr.	2nd Qtr.	July	Aug.
Hedge Fund Universe*	1.64%	-2.20%	-0.22%	0.87%	1.79%
Growth Hedge Funds	1.50	-2.97	-1.85	0.65	3.34
Macro Hedge Funds	-16.75	-13.14	-16.69	-1.67	0.33
Emerging-Mkt. Hedge Funds	8.15	6.08	-0.08	3.65	9.08
Short-Only Hedge Funds	9.36	7.02	23.89	-5.21	-11.73
Funds of Funds	-1.13	-4.09	0.81	0.81	0.50

*Based on gross information supplied by 200 hedge funds.

Sources: E. Lee Hennessee Group/Republic New York Securities Upper Analytical.

Miss Henry said that big macro funds need major market movements since they have so much money under management. In other words, she said, they can only earn large returns when there are big trends in major, liquid markets. An example of a manager with too much money to be able to play smaller markets without moving prices against himself, she added, might be the high-profile U.S. macro manager Julian Robertson.

Investors have also become cautious in the more esoteric areas of the hedge-fund game after witnessing some spectacular losses. Among the latest have come from David Weill, the London-based hedge manager, who recently wrote to investors in his Dorje fund to tell them he was liquidating all holdings into cash. The Dorje fund, one of a stable of three run by Mr. Weill, was down 51 percent in the eight-month period ending August 31.

Mr. Weill appears to have company, however. The U.S.-based Argonaut macro fund is down by more than 20 percent this year, according to a recent letter sent to its investors. David Gerstenhaber, the fund's general partner, has reportedly been faced with a flood of redemptions.

An executive at a multi-manager fund that had exposure to both the Dorje and Argonaut funds, said: "It is clear that people are favoring managers who stick to their knitting. You don't want to wake up one day to find out some guy you hired to do U.S. equities has a bought a zillion bonds. I would not say that the macro game is over, but the fundamentals look like they may favor stock pickers."

One manager who has benefited from the disfavor toward the macro approach is Colin McLean, managing director of the investment management firm Scottish Value Management, based in Edinburgh. He uses traditional measures of value to find cheap shares and has been entrusted with £7 million ($10.9 million) by multi-manager funds this year.

Anthony Yadgaroff, managing director of the Allenbridge Group, which introduces clients to top performing British money managers, said: "People are pulling their money away from these fancy trades and getting back to basics."

—Rupert Bruce

ADVERTISEMENT

INTERNATIONAL FUNDS

Sept. 16, 1994

Quotations supplied by funds listed, and transmitted by MICROPAL PARIS (Tel. 33-1 40 28 09 09).
Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue prices.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) fortnightly (every two weeks); (r) - regularly; (t) - twice weekly; (m) - monthly.

ABC INVESTMENT & SERVICES CO (E.C.)	
Manama-Bahrain,PO 2808,Fx 533062 Tl 532235	
m ABC Futures Fund Ltd_____$	133.12
m ABC Islamic Fund (E.C.)___$	127.16
m ABC Global Recovery Fd___$	108.12
m ABC Global Bond Fd_______$	100.38
ABN AMRO BANK, P.O. Box 283, Amsterdam	
w Columbia Securities_______Fl	141.88
w Trans Europe Fund Fl_____Fl	92.71
w Trans Europe Fund $______$	53.50
w Aireoto___________________Fl	278.68
ABN AMRO Funds	
4, rue Jean Monnet, Lux. 352-424949.320	
d Latin America Eq Fd______$	61.09
d North America Eq Fd______$	51.52
d Germany Equity Fd_______DM	101.29
d Europe Bond Fd__________$	49.22
d Germany Bond Fd B______DM	98.48
AIG FUND MANAGEMENT Ltd	
d AIG Amer. Eq. Trust_______$	31.4957
w AIG Balanced World Fd____$	108.3427
d AIG Emerg Mkts Bd Fd_____$	101.5742
w AIG Eurecu Fund Plc_____Ecu	121.0026
w AIG Euro Small Co Fd Plc_$	158.7140
w AIG Europe Fd Plc________$	124.3928
w AIG Japan Fund___________$	116.7253
d AIG Japan Small Cos Fd____$	15.75
w AIG Latin America Fd Plc_$	160.0078
w AIG Miltlcurrency Bd Fd Plc$	101.1701
w AIG South East Asia Fd___$	265.9060
d High Life Fund__________Ecu	10.06
d UBZ Euro-Optimizer Fund_Ecu	12.02
d UBZ Liquidity Fund $______$	114.9394
d UBZ Liquidity Fund DM____DM	126.4486
d UBZ Liquidity Fund Ecu___Ecu	127.2779
d UBZ Liquidity Fund SF_____SF	122.6757
ALFRED BERG	
d Alfred Berg Norden________$	205.87
Alfred Berg Sicav	
d Far East__________________$	171.91
d Germany__________________DM	232.03
d Global_____________________$	177.02
d Japan_____________________Y	11598.00
d Netherlands_______________Fl	237.21
d North America______________$	119.77
d Switzerland_______________SF	181.65
d U.K.______________________£	74.59
ALPHA FUND MANAGEMENT, LTD	
48 Par-La-Ville Rd, Hamilton, HM11 Bermuda	
w Alpha Asia Hedge (Aug 31) $	129.45
m Alpha Europe Fd (July 31)_Ecu	249.87
m Alpha Futures Fd (July 31) $	207.77
m Alpha Glbl Pro Trad Jul 31_$	96.13
m Alpha Global Fd (July 31)__$	951.30
m Alpha Hedge Fd (Aug 31)___$	419.27
m Alpha Japan Spec (Apr 30)_$	286.01
m Alpha Latin Amer (Aug 31) $	360.95

d G.T. Deutschland Fund_____$	13.25
d G.T. Europe Fund__________$	50.35
w G.T. Global Small Co Fd___$	30.66
d G.T. Investment Fund______$	27.14
w G.T. Korea Fund___________$	5.94
w G.T. Newly Ind Countr Fd__$	62.01
w G.T. US Small Companies__$	26.48
GUERNSEY CAPITAL MANAGEMENT LTD	
f GCM Global Sel. Eq.________$	111.19
GUINNESS FLIGHT FD MNGRS (Gnsey) Ltd	
GUINNESS FLIGHT GLBL STRATEGY FD	
d Managed Currency__________$	38.79
d Global Bond________________$	33.33
d Global High Income Bond___$	21.21
d Gilt & £ Bond______________£	10.18
d Euro High Inc. Bond_________£	20.29
d Global Equity______________$	95.48
d American Blue Chip________$	28.53
d Japan and Pacific__________$	134.72
d UK__________________________£	26.47
d European___________________$	122.93
GUINNESS FLIGHT INTL ACCUM FD	
d Deutschemark Money______DM	90.363
d US Dollar Money____________$	38.896
d US Dollar High Yd Bond_____$	24.57
d Int'l Balanced Grth_________$	36.33
HASENBICHLER ASSET MANGT Ges.mbH.	

MERRILL LYNCH SHORT-TERM	
WORLD INCOME PORTFOLIO	
d Class A_____________________$	8.29
d Class B_____________________$	8.29
MERRILL LYNCH	
GLOBAL CURRENCY BOND SERIES	
AUSTRALIAN DOLLAR PORTFOLIO	
d Category A________________A$	17.70
d Category B________________A$	17.32
CANADIAN DOLLAR PORTFOLIO	
d Category A________________C$	14.24
d Category B________________C$	13.87
CORPORATE HIGH INCOME PTFL	
d Class A-1___________________$	9.11
d Class A-2___________________$	9.86
d Class B-1___________________$	9.11
d Class B-2___________________$	9.82
DEUTSCHE MARK PORTFOLIO	
d Category A_______________DM	12.97
d Category B_______________DM	12.62
EUROPEAN BOND PORTFOLIO (DM)	
d Class A-1___________________$	13.56
d Class A-2___________________$	15.03
d Class B-1___________________$	13.55
d Class B-2___________________$	14.89
EUROPEAN BOND PORTFOLIO (US$)	

REGENT FUND MANAGEMENT LTD	
w New Korea Growth Fd______$	12.90
w Nova Lat Pacific Inv Co____$	5.3890
w Pacific Arbitrage Co________$	10.43
m R.L. Country Wrnt Fd______$	244.87
d Regent Glbl Am Grth Fd____$	6.1462
d Regent Glbl Euro Grth Fd__$	4.1305
d Regent Glbl Intl Grth Fd____$	2.3396
d Regent Glbl Jap Grth Fd____$	2.5405
d Regent Glbl Pacif Basin____$	4.5964
d Regent Glbl Reserve________$	2.1082
d Regent Glbl Resources_____$	2.6766
d Regent Glbl Tiger__________$	3.3427
d Regent Glbl UK Grth Fd____$	1.8571
w Regent Moghul Fd Ltd_______$	12.18
m Regent Pacific Hdg Fd_____$	127.6835
w Regent Sri Lanka Fd_______$	11.17
w Undervalued Assets Ser I___$	11.66
REPUBLIC FUNDS	
w Republic GAM_______________$	139.22
w Republic GAM America_____$	115.74
w Rep GAM Em Mkts Global__$	152.64
w Rep GAM Em Mkts Lat Am $	125.87
w Republic GAM Europe CHF SF	113.09
w Republic GAM Europe US$__$	98.90
w Republic GAM Grwth CHF_SF	105.34
w Republic GAM Growth £_____£	100.54

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For information on how to list your fund, fax Simon OSBORN at (33-1) 46 37 21 33.

THE MONEY REPORT

'Globalized' Fund Regulations Debated

By Baie Netzer

AH, THE ADVANTAGES of being rich. With a paltry $1 million in capital, you can invest in a hedge fund — even if you're not exactly sure what that is.

And because you're rich and the partners you form a hedge fund with are rich as well, the U.S. Securities and Exchange Commission, known as the SEC, will not burden your busy fund managers with a lot of regulation other than some standard filings.

If you're lucky, you won't even have to read a prospectus. All the details can be worked out in a confidential memorandum that your lawyer looks over.

But there are disadvantages attached to all your wealth: If something goes wrong in your hedge fund, regulators assume you knew what you were doing.

Until recently, regulation of derivatives funds or hedge funds basically followed the logic that trading in sophisticated and risky commodities should be limited to those who had substantial net worth and the supposed market know-how that goes along with wealth.

But the money flowing into derivatives funds and hedge funds, combined with the emergence of new futures markets around the world, has led authorities in a number of countries to think about "globalizing" regulation. Last year, the U.S. regulatory authority for futures transactions, the Commodities and Futures Trading Commission, or CFTC, held a training seminar with representatives from Malaysia, Singapore, Mexico, the Ukraine and other countries.

Earlier this month, moreover, a meeting sponsored by the Swiss Commodities, Futures and Options Association attracted 350 attendees, among them 40 regulators from 27 countries. One of the topics on the agenda was a proposed new investment-fund law that would allow hedge funds to be launched in Switzerland. Its sponsors are hoping the proposal will spur other European markets to update their own regulatory laws.

By most accounts, the American model has thus far set the standard for the new regulation now developing. On one hand, hedge funds formed on the U.S model as limited partnerships face fewer regulatory requirements than mutual funds regulated by the SEC. On the other hand, any hedge fund that holds futures must file with the CFTC as a commodity-pool operator.

"In the past there was always a certain exemption for funds that only held 1 or 2 percent of their assets in futures," said Caroline Van, vice president of research at International Advisory Group, a derivatives- and hedge-fund monitoring concern in Nashville, Tennessee. "But since limited partnerships started getting into commodities, the CFTC has gotten more conservative. Now, if you hold any type of future at all, you're going to have to register."

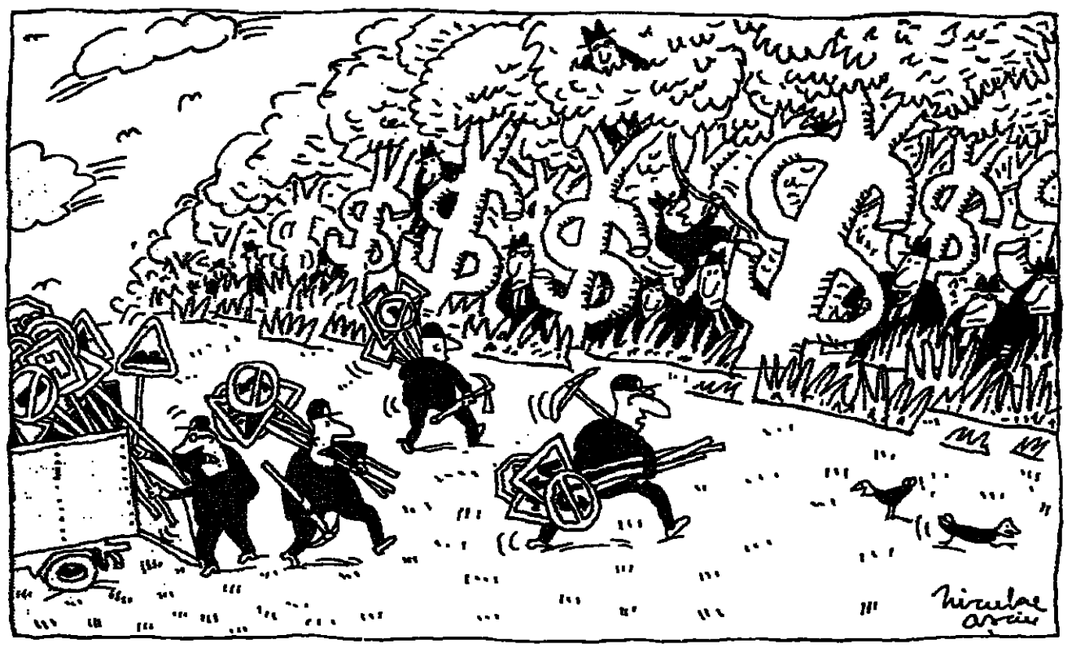
If a hedge fund is registered as a commodity-pool operator, the CFTC requires disclosure of fees and expenses, background and past performance of the fund, and other information such as whether legal proceedings have ever been brought against the fund operators. The fund must also send its partners audited annual reports and a warning of the risks of futures trading.

Even under CFTC regulations, hedge funds may qualify for certain exemptions if they have partners with especially high net worths or if less than 10 percent of the portfolio is traded in futures products. In general, the level of disclosure filed with the CFTC will vary under these exemptions. However, partners may provide for detailed disclosure in a confidential memorandum signed in agreement with the fund.

For offshore hedge funds, the level of regulation varies depending on the domicile of the fund and the markets the fund is sold into. In general, experts say the Bahamas dictate fewer requirements than the Cayman Islands or Bermuda.

"All things being equal, it's better to invest in a fund where regulation is higher," said George Van, chairman of International Advisory Group. "But all things are never equal."

Dublin, for instance, is considered by many to be a fairly easy domicile from which to launch a fund, although it is relatively costly and regulatory requirements are widely considered to be stricter than those in the Caymans. In the United States, the multiple filing of information in each state can rack up fund-launching costs of $250,000, according to Roland Jansen, a vice president in the Zurich office of Coutts & Co., the global private banking concern. In the Cayman Islands, analysts note, set-up costs for a hedge fund can be as little as $25,000.



While a number of European governments are now interested in modernizing their financial markets and stopping the flow of money into offshore locales, there has been little agreement regarding the harmonization of investment laws to date. For European governments, say some observers, continued reliance on outdated or overly-restrictive laws can translate into a substantial loss of tax revenues.

"Germany didn't even have a licensing procedure until recently," said Mr. Jansen, referring to hedge funds and derivative products. "In Britain, they modernized their laws a few years ago but they made it too restrictive and now it's a horrible place to try and set up a fund."

Switzerland faces a similar problem: Two-thirds of all Swiss funds are managed outside of the country. To attract futures funds and hedge funds, Mr. Jansen and the Swiss Council of the European Managed Futures Association, or EMFA, have been part of a team drafting new investment fund legislation.

The Money Report is edited by Martin Baker

After Stellar Performances in 1993, Hedge Funds Have Plummeted Back to Earth

THE excellent overall performance of hedge funds in 1993 has fallen back to earth this year, in line with many global markets.

Macro hedge funds, the headline-makers that make bets on shifts in global economies and interest rates, have given new meaning to the adage that the bigger they are, the harder they fall. After posting an average gain of 53 percent in 1993, macro funds have lost nearly 17 percent this year through the end of August, according to the E. Lee Hennessee Group, a consultancy at Republic New York Securities that tracks major hedge funds globally.

Highly-publicized hits have been taken by the Quantum Group of investment funds, whose Midas-touch manager George Soros lost $600 million in one currency deal in February, and by David Askin, whose capital management firm collapsed after his mortgage-backed bond hedge fund suffered huge losses.

When compared with benchmark indexes, the performance of hedge funds this year is mixed. The "universe" of 200 hedge funds tracked by the Hennessee group posted an average gain of 1.64 percent through August, beating the NASDAQ Composite Index (down 1.46 percent) and the Russell 2000 index of small companies (up 0.39 percent), but lagging behind the S&P 500 (up 3.88 percent) and the Dow Jones industrial average (up 6.46 percent).

The same group of hedge funds edged out Lipper Analytical's Growth Fund Index of growth-oriented mutual funds, which gained 1.53 percent through August, but trailed Lipper's Low-Priced Value Index of value equity funds, which gained 4.17 percent.

Certain types of hedge funds performed extremely well. Short-only funds, for example, which play markets to fall, have gained 9.4 percent through August. And distressed-securities hedge funds, which invest in companies undergoing reorganization or bankruptcy, have risen by 9.6 percent.

Moreover, certain trends seem to be emerging among investors in hedge funds. "Essentially, there are two points to be made," said E. Lee Hennessee, who runs the hedge fund consultancy at Republic New York Securities. "First, the wealthiest people are seeking to re-allocate. Some people who have had 50 percent to 75 percent of their hedge-fund capital with macro managers are now saying they want to re-allocate with managers in other styles."

Miss Hennessee added that while hedge funds are still considered a very non-traditional game played only by wealthy individuals and institutions who can afford the minimum investment levels — which often range from $250,000 to many millions — access to them is widening through the "fund of funds" approach.

Despite the fact that macro funds have suffered this year, some analysts say there are many reasons not to lose confidence in them. California-based Monty Guild, who runs four macro funds, said that the sharp vicissitudes of today's global political and economic climate represents fertile ground to hedge fund managers.

"Major changes in politics lead to major economic changes," he said. "And every time a country changes its modus operandi, that presents opportunity. "And never in the past 100 years have there been so many investment opportunities due to politicians knowing that they have to improve their economies in order to stay in office."

Funds of funds, which pool lower stakes of capital than the typical $1 million hedge-fund mimimum and then invest it across a range of hedge funds, are rising in popularity through making hedge funds more accessible to non-wealthy investors. But they have minimum investment levels themselves which are rarely less than $100,000, and more likely to be in the $250,000 range. This year through the end of August, funds of funds have returned 1.13 percent as tracked by the Hennessee group.

Proponents of the fund of funds approach cite several benefits. "The major liability to the hedge fund investor is not knowing the manager or his style very well," said George Fox, a fund of funds manager based in New York. "The fund of funds provides both expertise in selecting the hedge fund managers and diversity by investing with many of them. It also provides someone to monitor the investment."

So far this year, funds of funds do not appear to have fared quite as well as mutual funds. Their 1.13 percent gain through August, for example, slightly trails the 1.53 percent rise in Lipper's Growth Fund Index. In the first quarter, when many global markets slid steeply, funds of funds fell 4.09 percent, according to the Hennessee group, while the average U.S. equity fund lost 3.33 percent, according to Lipper.

Marc Landau, president of Paris-based Olympia Capital Management, which runs 16 funds of funds, warned that the fund of funds concept should not be used to attract new droves of relatively unsophisticated investors to hedge funds.

"If that's what happens, it will make for a lot of unhappy people," he said. "They'll get their hopes up and then bad things could happen. There is no free lunch in investing."

—Philip Crawford

Can Derivatives Really Move Markets?

By Michael D. McNickle

EVERY day, trillions of dollars worth of trades are made, that don't necessarily appear on any company's books. Some weeks, analysts say, the stock market can be moved like a yo-yo, but few people understand why.

Welcome to the world of derivatives, where the currency is in trillions, there are no borders, and regulators can be hard to find.

Indeed, so taken has today's investing culture become with derivatives that a new vocabulary has been spawned to describe them. Terms such as "parallel universe" and financial "twilight zone" are being heard on Wall Street, although their definitions are probably as multifarious as the people who use them.

But some analysts say that derivatives pose dangers to retail equity and bond investors, as well as to the overall stability of the markets.

"Everybody's willing to create these customized products," said Jeffrey Miller, managing partner of the New York-based brokerage Miller, Tabak Hirsch & Co., and its consulting arm Derivatives Associates. "And then you've got corporations using them on the other side. And that has been a topic of tremendous interest because there have been a few disasters.

Say a giant blue chip company reports a huge [unexpected] loss. Everyone says, 'Where'd that come from?' "

Mr. Miller explained that, in his view, corporate investing in derivative securities can jeopardize the financial health of a company, often at the expense of shareholders who think the corporation's fortunes depend solely on the quality of the products and market cycles.

Indeed, other critics say that while there may well be a legitimate role for derivatives for major companies looking to control currency risks, their use as hoped-for profit centers by large firms may run counter to the type of conservative management philosophies that many small investors seek when they buy shares.

"It's a problem for the individual investor," said Mr. Miller. "Say you're investing in some sort of consumer goods company and you're prepared to take that risk, that maybe the consumer won't buy its products. But then, all of a sudden, you find out that you took a completely different risk, that the company had a leveraged bet on German interest rates.

"The individual, I think, would be fairly upset by the fact that a corporation might have a significant risk away from the area that you'd expect the business risk to be in."

Other analysts add that mutual funds can also quietly make bets in the derivatives markets that its investors may never know about unless disaster strikes.

Some observers cite the case of the Minneapolis-based Piper Jaffray Institutional Government Income Fund, which lost 22.9 percent of its value between January and August this year, according to John Rekenthaler, editor of Morningstar Mutual Funds. Mr. Rekenthaler said the losses were caused, in part, by the fund's weighting in a variety of mortgage-backed securities that are sensitive to fluctuations in interest rates.

These derivative securities suffered when both the prime lending rate and federal funds rate in the United States rose earlier this year. In several previous years, Mr. Rekenthaler said, Morningstar had rated the fund as a top performer with double-digit returns.

Marie Uhrich, a vice president at Piper Jaffray, said that not all of the losses in the Institutional Government Income fund were due to derivatives. She said that 94 percent of the fund was weighted in securities issued either by the U.S. government or a government-backed agency, and added that even the "five-year Treasury note has decline 10 percent in value since October 1993."

Michael J. Corbett, a senior analyst for The Mutual Fund Letter, a publication that analyzes funds, said he had not specifically studied Piper Jaffray's derivatives investments. But he also said that he was leery of such securities: "In general, we don't like them, and we've always avoided them. When we've seen a fund introduce them, at least to the extent of more than five to 10 percent of a portfolio, we've always shunned it."

"There are too many risks for the individual investor," Mr. Corbett added. "Your typical individual investor is investing in a fund to get the diversification in stocks and bonds that he can't get on his own. And [derivatives] are not really something he should be exposed to. We like them to the extent that you can do some hedging, but to enhance returns, that's where we really don't like them."

The impact of derivatives on markets has evolved far beyond their original role of hedging investments. Some analysts say, for example, that stock-index options now sometimes themselves exert pressure on underlying share prices.

This past August 24th, for example, the Dow Jones industrial average gained 70 points in one day of trading. Part of the big move, observers say, was due to the expiration of a large batch of flex index options that were tied to the performance of the American Stock Exchange Institutional Index.

Flex index options can mature on almost any date, as opposed to traditional index options, which normally expire on the third Friday of the month, a time sometimes referred to in Wall Street parlance as the "witching hour."

William T. Mullen, a portfolio manager at Loomis, Sayles & Company, had sold 2,000 index call options that were due to mature on that day. The options represented a bet by Mr. Mullen that the market would not rise more than 5 percent between the date in July when he sold them and August 24. If the market indeed did not rise by 5 percent, the options would have no value to their buyers at maturity.

But the market headed upward early that day, and by 1 P.M., the American Stock Exchange Institutional Index had risen 1.81 to 468.57. The 2,000 flex index options sold by Mr. Mullen were in the money all of a sudden. Holders of the options began buying shares, pushing the bubble upward.

Some of this buying, observers say, was perceived as a swell of demand from institutional investors, and buyers hopped on the bandwagon. At the end of the day, the Dow was up over 70 points and the Amex Institutional Index was up nearly 5.

Analysts concluded that the index options, coupled with some mild upward trends, had substantially moved the entire market. Both the Dow and the Amex Institutional Index slumped the next day.

Gerald Beirne, a broker who has testified before the U.S. Congress on the issue of market manipulation, said that the potential of derivative securities such as index options to roil entire markets was dangerous.

"I would classify it as an undermining in the confidence in the value of stock at any given time due to increased volatility," he said. "We still operate under this old-fashioned notion that, some how or other, it's an efficient market."

BRIEFCASE

Hambros, NatWest Launch Asia Fund

Hambros Bank and NatWest Securities have launched a new mutual fund that invests in Asian small companies. The companies will have stock-exchange listings and market capitalizations of less than $500 million. The portfolio will initially concentrate on Hong Kong, Malaysia, Singapore and Thailand.

The investment objective of the fund, which will be listed on the London Stock Exchange and is expected to have a life of seven years, is long-term capital growth. Minimum subscription is $30,000.

For more information, call Hambros Bank in London on (44.71) 480.5000.

LCF Targets Israel In Offshore Fund

Investing in Israel, another emerging market, is the focus of a new fund from La Compagnie Financière Edmond de Rothschild Banque, or LCF. "Israel 2,000" is a Luxembourg-listed fund that will commit cash to equities quoted on the Tel Aviv market.

The fund is quoted in dollars and has a launch price of $2,500 per share. The managers state that they may utilize hedging techniques to protect the value of the fund.

LCF says there are a number of reasons to be bullish on Israel. The fund's prospectus points to Israel's estimated GDP growth of 6 percent this year, after an average of 5.5 percent per year between 1990 and 1993. Inflation in Israel, says LCF, has fallen from a soaring 445 percent in 1984 to an estimated 14 percent in 1994.

LCF is also touting Israel's work force as highly productive and highly skilled, and says that it will be supplemented by well-educated immigrants from the former Soviet Union. Government debt is also down in Israel, from 176 percent of GDP in 1985 to 90 percent in 1993.

Israel's stock market has a total capitalization of over $35 billion, with an average daily turnover of $127 million. There are 625 companies listed on the Tel Aviv Stock Exchange, versus 286 in 1991.

For more information, call LCF in Paris on (33.1) 40.17.24.14; or fax on (33.1) 40.17.24 42.

France, U.S. Sign Retooled Tax Pact

Looks like more work for accountants. A new tax treaty between the United States and France has been signed. For Americans, it retains the principles of the old one — a five-year exemption from French wealth tax, relief from double taxation, elimination of French tax on U.S. retirement benefits, etc. — but there is, according to accounting firm Ernst & Young, "a more complicated credit mechanism" involved in computation.

Some international tax analysts are advising U.S. expatriates living in France to seek professional advice on this point.

Halifax Offers 7.25% On Large Deposits

The Halifax Building Society, the largest U.K. thrift society, has launched a Jersey-domiciled one-year deposit account aimed at the well-heeled investor. Those committing £150,000 ($234,000) for one year will receive a 7.25 percent interest rate, with no withholding tax.

Withdrawal within the year is allowed, but subject to payment of an interest penalty.

Next Week in the Money Report: A global look at pension-fund management.

SPORTS

What NFL Salary Cap? 49ers Snap Up Sanders

New York Times Service

SANTA CLARA, California — They were joking in the San Francisco 49ers' locker room. "Dream Team III," the players howled, knowing the rest of the National Football League was not laughing.

Deion Sanders officially ended his free-agent national tour when he signed a one-year, $1.335 million contract Thursday. The team's president, Carmen Policy, said Sanders could earn another $750,000 if the 49ers reach the Super Bowl.

"This is like a dream come true," Sanders told a media throng that had not been seen in the Bay Area since Joe Montana left for Kansas City. "All along I said my main goal was to win the Super Bowl."

Sanders, who took part in a light workout, said he hoped to play against the Los Angeles Rams on Sunday. Coach George Seifert said Sanders would see some action as a nickel back.

Edward J. DeBartolo Jr., the team's owner, and "Mr. Policy gave me a feeling they really care about their players," Sanders said when asked why he turned down higher offers. "When they walk through the locker room, you don't hear any whispering or bickering behind their backs, like you do at other organizations. Everyone here respects what they've done, on and off the field. They've won four Super Bowls. I'm just here to make it five."

The Atlanta Falcons, for whom Sanders had played, said they had offered him a one-year contract worth $2.8 million, but that the defensive back had "strung us along."

"I got offers from Miami and New Orleans, but I have yet to receive an offer from Atlanta," said Sanders. "I gave them five years to re-sign me."

The 49ers needed only the imminent cancellation of the baseball season to clear enough money under the salary cap to lure the flamboyant Sanders to San Francisco. By Tuesday, when it was clear Sanders would no longer would be playing for baseball's Cincinnati Reds this season, the 49ers restructured the contracts of Ken Norton Jr., Gary Plummer and Tim McDonald. That freed the $1.335 million Sanders will be paid in salary for the remainder of the season.

He already was talking about re-signing with the 49ers after the season is over.

Eventually, Sanders is expected to play left cornerback, the side opposite of where he roamed for the Falcons the past five seasons as a three-time Pro Bowl selection.

That spot is known as "the hot corner" because most teams are right-handed and place their feature receivers on that side.

In addition to Sanders, the 49ers also signed Charles Mann, the long-time Washington Redskin, to the league minimum $162,000 contract. Defensive end Richard Dent injured his knee last Sunday against the Chiefs and will be out 10 weeks. Mann will rotate with Rickey Jackson, another recent free-agent acquisition.

The 49ers are one of the few teams to solve the $34.6 million salary cap. They have added Norton from Dallas, Plummer from San Diego, Jackson and Toi Cook from New Orleans since last season.

"There are absolutely no more rabbits under the cap," Policy said.

Some 49ers, though, pleaded with the assistant general manager, Dwight Clark. "Sign Wayne Gretzky as a holder," one said. "See if Michael Jordan will play for the minimum," yelled another.

NFL Matchups, Week 3

New York Times Service

New York Jets (2-0) at Miami (2-0): Both quarterbacks, Boomer Esiason and Dan Marino, have been playing well, Jets' offensive line has given up just one sack, the Dolphins' rushing defense (46 yards a game average) is best in NFL. Jets' defense might be a bit healthier, particularly in the secondary. Odds-makers pick the Dolphins to win by 5 points.

Arizona (0-2) at Cleveland (1-1): Cardinals' defense has nine sacks, and is tied with Vikings' for second in NFL. But quarterback Vinny Testaverde has thrown six interceptions in two games, and Browns appear to have their act more together. Browns by 2½.

Buffalo (1-1) at Houston (0-2): Bills seem to have solved some of their problems on offensive line by shifting huge Jerry Crafts from tackle to guard. Oilers proved against Dallas last week that they can be very resourceful on defense — and they will need all their wiles this week. Oilers by 2½.

Green Bay (1-1) at Philadelphia (1-1): Eagles are second in NFC in turnover ratio, at plus-2, while quarterback Randall Cunningham had 250 yards passing in the first half Monday night against Chicago. Defensive end Reggie White is returning to Veteran Stadium for first time since going to Green Bay, and will be pumped up for this one. Unfortunately, he doesn't play on offense as well. Eagles by 3.

Indianapolis (1-1) at Pittsburgh (1-1): Steelers' offensive line did not give up a sack last week, but Colts' linebackers can bring a lot of pressure. Marshall Faulk, whose 360 yards from scrimmage leads NFL, will test Pittsburgh's defensive front, and it should pass this test. Steelers by 7½.

Minnesota (1-1) at Chicago (1-1): Vikings' defense has allowed an NFL low of 19 points, while Chicago's Erik Kramer is the NFC's No. 2 rated quarterback. But Warren Moon seems to have made peace with his slippery fingered receivers and Vikings' offense is moving. Bears by 1½.

New England (0-2) at Cincinnati (0-2): Patriots are NFL's No. 1 passing team, averaging 395 yards a game, while Bengals' defense does not have a sack yet. Patriots by 3.

New Orleans (0-2) at Tampa Bay (1-1): Quarterback Jim Everett's 68.7 completion percentage is No. 2 in NFC, but Saints can't get anything to go their way. Buccaneers are only team in NFC without a turnover. Bucs by 4.

Washington (1-1) at New York Giants (2-0): Loss of running back Rodney Hampton, out with a bruised kidney, will hurt Giants. Redskins' quarterback John Friesz picked up level of his game last week, but will need to go up another floor or two this time. Giants by 7.

L.A. Raiders (0-2) at Denver (0-2): Bronco kicker Jason Elam's 20 points (5-of-5 on PATs and 5-of-5 on field goal attempts) leads AFC, while Raiders' quarterback Jeff Hostetler seems to have lost his speedy receivers. Broncos by 4.

San Diego (2-0) at Seattle (2-0): Quarterback Stan Humphries has thrown 111 passes without interception, with Seahawks' Rick Mirer equally hot. Seahawks' had four sacks against Raiders last week, and defense likely will tip the balance. Seahawks by 3.

San Francisco (1-1) at L.A. Rams (1-1): Rams have a freight train in their backfield in Jerome Bettis, but it's unlikely he can keep up with 49ers' SST Jerry Rice. He averages 18.2 yards per catch against the Rams. 49ers by 13½.

Kansas City (2-0) at Atlanta (1-1): Receiver Andre Rison leads league in receptions (26), yards (316) and touchdowns (4), but Falcons' defense is suspect. Chiefs' offensive line has given up just two sacks in two games, but may be emotionally drained after game against 49ers. Chiefs by 2½.

Dallas (2-0) at Detroit (1-1): Defensive end Charles Haley leads NFL with 5.5 sacks and Cowboys lead NFL with 14 sacks. And, Lions' running back Barry Sanders hasn't gotten out of the chute like his Cowboy counterpart, Emmitt Smith. Cowboys by 12½ on Monday night.

These matchups were compiled by Timothy W. Smith

Blake Sell/Reuters

Deion Sanders and the 49ers' coach, George Seifert, played show-and-tell with the all-pro defensive back's new jersey.

Arsenal and Inter Milan Open Cups Successfully

The Associated Press

LONDON — Arsenal and Inter Milan have successfully opened defense of their European titles.

Arsenal beat Omonia of Nicosia, 3-1, in Thursday's opening round of the Cup Winners' Cup before 20,000 spectators on Cyprus who jeered every mistake by the English club.

Paul Merson had two goals for Arsenal and Ian Wright the other. Costas Amelkos scored in the 72d minute for Omonia.

Inter, playing at home, beat Aston Villa, 1-0, in its opening UEFA Cup match. The English team's defensive tactics almost prevailed but a penalty kick in the 74th minute by Dutch star Dennis Bergkamp carried the Italians.

The Italian club Sampdoria wasn't so lucky, losing by 3-2 to Bodo Glimt, a part-time professional Norwegian club, in a Cup Winners' Cup match.

Bent Inge Johnsen scored twice for Bodo Glimt. The club is based north of the Arctic Circle, but the match was moved to Oslo's Ulleval stadium.

The Norwegians led, 2-0, at halftime on goals by Tom Kare Staurvik and Johnsen. Mauro Bertarelli replied for Sampdoria two minutes into the second half, but Johnsen made it 3-1 in the 58th minute. David Platt of Sampdoria ended the scoring in the 69th minute.

In other games, Chelsea marked its return to European competition with a 4-2 triumph over Czech champion Viktoria Zizkov; Dundee United kept Scotland's hopes alive in Europe with a 3-2 victory over the Slovakian club Tatran Presov; and Portugal's FC Porto scored two late goals to down Poland's LKS Lodz, 2-0.

The return leg matches of the first round are to be played Sept. 29.

AC Monaco Fires Wenger As Coach

Compiled by Our Staff From Dispatches

MONACO — Arsène Wenger, who coached AS Monaco to European Champions' Cup semifinals last season, was fired Friday with the club in 17th place in the 20-team French League after losing five of its first eight matches.

The club president, Jean-Louis Campora, announced the dismissal in a communique that did not mention a successor. Wenger had coach Monaco since 1987.

• Brazilian striker Müller flew home Friday after his $3.75 million transfer to England's Everton fell through.

"The deal is dead and buried," Everton's manager, Mike Walker, said. "We had sent a contract to him and seemed to agree, but then his advisors turned up with him yesterday demanding more."

• The Brazilian defender Julio César was threatening to leave Borussia Dortmund after having been disparaged and refused entry to a discotheque in the city because he is black, club officials said.

The player, who transferred from Juventus, Turin this summer, reportedly insisted on having a clause in his contract allowing him to break the contract if he became the target of racism in Germany.

City authorities had promised to investigate the incident and threatened to close the discotheque.

SCOREBOARD

Japanese Leagues

Central League

	W	L	T	Pct.	GB
Yomiuri	64	55	0	.538	—
Hiroshima	63	57	0	.525	1½
Hanshin	60	59	0	.504	4
Chunichi	59	59	0	.500	4½
Yokohama	55	62	0	.470	8
Yakult	53	62	0	.461	9

Friday's Results

No games scheduled

Pacific League

	W	L	T	Pct.	GB
Seibu	68	48	0	.586	—
Orix	64	52	2	.552	4
Kintetsu	62	53	2	.539	5
Daiei	62	55	1	.530	6
Lotte	48	65	1	.425	18
Nippon Ham	41	72	4	.363	25

Friday's Results

Seibu 6, Orix 1

Kintetsu vs. Daiei, ppd., rain

Lotte vs. Nippon Ham, ppd., rain

European Cup Results

UEFA CUP

Inter Milan 1, Aston Villa 0

Scorer: Bergkamp (75th, penalty).

Olimpija Ljubljana 1, Eintracht Frankfurt 1

Scorers: Olimpija—Siljak (2nd). Frankfurt—Legat (84th).

CUP WINNERS' CUP

Broadby 3, FK Tirana 0

Scorers: Jensen (19th, penalty), Hansen (56th), Blur (66th).

Besiktas Istanbul 2, Helsinki 0

Scorers: Oktay (27th), Ertugrul (35th, penalty).

Grasshoppers 3, Chernomorets Odessa 0

Scorers: Bickel (41st), Koller (52nd), Subiat (85th).

Dundee United 3, Tatran Presov 2

Scorers: Dundee—Petric (16th), Nixon (57th), Hannah (69th). Tatran—Skalka (11th), Zvara (41st).

Sligo Rovers 1, Club Brugge 2

Scorers: Sligo—Kenny (44th). Brugge—Vermant (18th), Verheyen (63d)

Bodo Glimt 3, Sampdoria 2.

Scorers: Bodo—Staurvik (3d), Johnsen (33d, 58th). Sampdoria—Bertarelli (47th), Platt (69th).

FC Porto 2, Lotz 0

Scorers: Domingos (72d), Rui Barros (77th).

NHL Preseason

Thursday's Games

New Jersey 3, Boston 2

Washington 4, Ottawa 0

St. Louis 6, Dallas 2

Calgary 4, Vancouver 0

MAJOR COLLEGE RESULTS

Thursday's Game

Duke 42, Army 7

BASEBALL

American League

BOSTON—Named Derek Vinyard, outfielder, as player to be named later in trade with Montreal for Glenn Murray, outfielder, and Jim Smith, pitcher, as player to be named later in trade with Seattle for Lee Tinsley, outfielder.

KANSAS CITY—Fired Hal McRae, manager.

MINNESOTA—Named Bill Smith assistant general manager and vice president.

TORONTO—Extended their agreement with Syracuse, IL, and Knoxville, SL, for 4 years and with Hagerstown, SAL, and Medicine Hat, PL, for 2 years.

National League

ATLANTA—Announced 4-year working agreement with Eugene, NWL.

COLORADO—Announced 2-year working agreement with Salem, CL.

PITTSBURGH PIRATES—Announced 2-year working agreement with the Calgary, PCL.

BASKETBALL

National Basketball Association

PHOENIX—Waived Jerrod Mustaf, forward. Signed Antonio Lang, forward, to 3-year contract, and Winston Garland, guard, to 1-year contract.

FOOTBALL

National Football League

CLEVELAND—Released Carlson Leomiti, offensive lineman, and Marcus Lee, running back, from the practice squad. Signed P.J. Killion, linebacker, to the practice squad.

NEW ENGLAND—Acquired Larry Whigham, safety, from Seattle. Signed Andre Bowden, linebacker, to the practice squad. Waived Jason Carlhen, linebacker.

SAN FRANCISCO—Signed Rhett Hall, defensive tackle, and Rod Milstead, guard. Signed Mike Caldwell, wide receiver, to the practice squad. Released Derrick Owens, wide receiver, and Bryce Burnett, tight end. Waived Adrian Hardy, cornerback, and Artie Smith, defensive tackle. Signed Deion Sanders, defensive back, and Charles Mann, defensive end.

TAMPA BAY—Signed Joel Crisman, guard, to the practice squad.

HOCKEY

National Hockey League

ANAHEIM—Returned Allen Bester, Sandy Allan and Byron Penstock, goaltenders; Mark DeSantis, Mark Yannetti, Darren Van Impe, defensemen; Mike Maneluk, Jeremy Stevenson, Kevin Sawyer, left wings; and David Matsos, right wing, to San Diego, IHL. Announced the retirement of Anatoli Fedotov, defenseman.

BUFFALO—Returned Borris Moore, left wing, to Sudbury of the Ontario Hockey League; Steve Webb, right wing, to Peterborough of the OHL; Mark Pelock, center, and Cal Benazic, defenseman, to Medicine Hat of the Western Hockey League; and Mike Walker, goaltender, to Regina of the WHL.

LOS ANGELES—Reassigned Rob Cowie, Michael Gaul, Justin Hocking and Michael Burman, defensemen; Jeff Shevalier, Randy Pearce and Don Bylsma, left wings; and Paul Jaks, goaltender, to Phoenix, International Hockey League. Returned Shayne Toporowski, right wing, to Prince Albert, Western Hockey League. Released Ken Hodge Jr., center.

N. Y. ISLANDERS—Agreed to terms with Chris Marinucci, center. Assigned Milan Hnilicka, goaltender, to Denver, IHL.

N.Y. RANGERS—Reassigned Don Cloutier, goalie, and Gary Roach, defenseman, to Sault Ste. Marie, Ontario Hockey League; Dave Trofimenkoff, goalie, to Lethbridge, Western Hockey League; Martin Ethier, defenseman, to Beauport, Quebec Major Junior Hockey League; Adam Smith, defenseman, and Jamie Butt, forward, to Tacoma, WHL; John Agiropoulos, forward, to Ottawa, OHL; Eric Boulton, forward, to Oshawa, OHL; David Brasseau, forward, to Shawinigan, QMJHL, and Paul McInnes, forward, to Newmarket, OHL.

PITTSBURGH—Released Kevin Meisner and Todd Hanrahan, defensemen, and George Wilcox, forward. Returned Serge Aubin, center, to Granby of the Quebec Major Junior League. Assigned Trevor Buchanan, forward, to Fort Wayne and Eric Murano, forward, to Cleveland, IHL.

ST. LOUIS BLUES—Assigned Steve Staios, defenseman, and Parris Duffus, goaltender, to Peoria, IHL; assigned Alex Vasilevskii, forward, to Prince George, WHL.

SAN JOSE—Assigned David Bruce, Lee Leslie and J.F. Quintin, left wings; Gary Emmons and Mark Terris, centers; and Duane Joyce, Ken Hammond and Claudio Scremin, defenseman, to Kansas City, IHL. Moved Vaclav Varada, right wing, to Tacoma, WHL. Released Mike Doers, center; John Joyce, right wing; and Trent Eigner, Ty Eigner and Scott Zygulski, defensemen. Reassigned Andrei Busakov, defenseman; Alexander Cherbayev, left wing; Dean Grillo and Chris Tancill, right wings, to Kansas City, IHL.

TORONTO—Signed Eric Fichaud, goaltender, to multiyear contract. Sent Jeff Andrews, left-wing; Ken Boone, June Kovacevic and Ryan Mougenel, right wings; Daniel Godbout, Yianni Ioannou and Darren Schmidt, defensemen; and Joe Van Volsen, center, to the Ontario Hockey League; Dave Brumby and Devon Hanson, goaltenders; Kory Mullin, defenseman; and Paul Vincent, center, to the Western Hockey League.

VANCOUVER—Assigned Rod Stevens and Jeff Connelly, forwards; Sergei Tkachenko, goaltender, to Syracuse, AHL, and John Baldwin, forward, to be determined.

COLLEGE

NCAA—Restored the eligibility of Florida State football players Derrick Brooks, linebacker; Marcus Lane and Patrick McNeil, offensive guards; Forrest Caply, offensive tackle; and Tiger McMillion, tailback.

COAST GUARD—Named Pete Rakala secondary coach.

BOWLING GREEN—Named Keith Nolitz men's assistant basketball coach.

DELAWARE—Named Jim Sherman assistant baseball coach.

DARTMOUTH—Promoted Mike Maker to men's first assistant basketball coach. Named Robert Summers men's second assistant basketball coach.

DREXEL—Named Kevin W. Hill men's and women's cross-country coach.

MONMOUTH—Named Andy Partee men's assistant basketball coach.

NORTHEASTERN—Named Ken Dempsey men's assistant basketball coach.

OREGON—Announced Kory Murphy, wide receiver, is leaving the football team due to a spinal injury suffered in a game on Sept. 10.

PENNSYLVANIA—Named Matt Karwick men's assistant lacrosse coach.

SOUTHEAST MISSOURI—Named Alan Eads women's assistant basketball coach.

VILLANOVA—Named Jeff Prior assistant swimming coach.

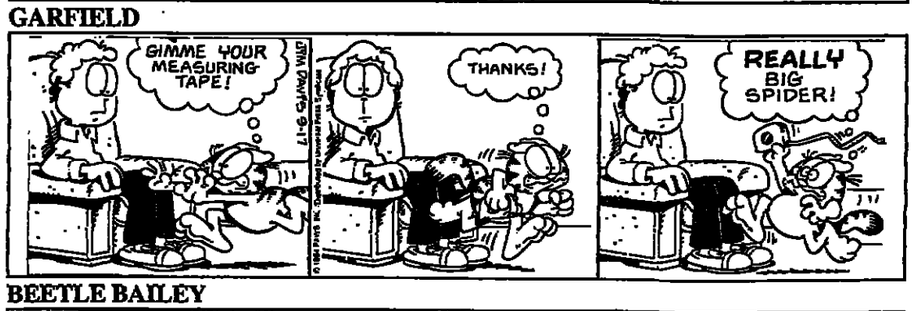
DENNIS THE MENACE

"I LIKE CRAYONS BECAUSE THEY COME IN SO MANY FLAVORS."

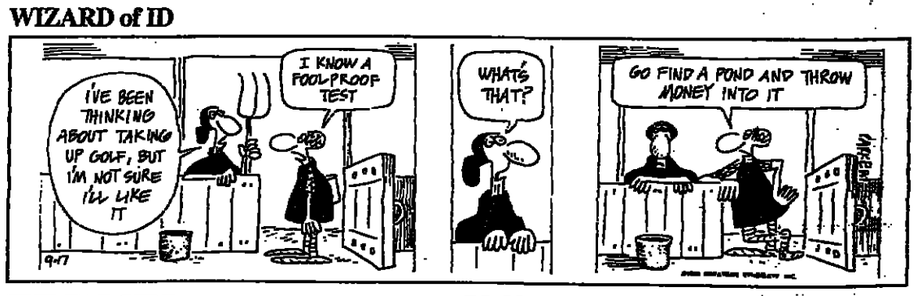
PEANUTS

CALVIN AND HOBBES

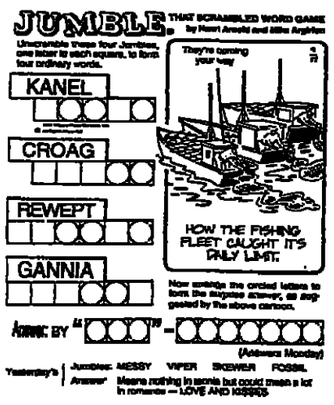
GARFIELD



WIZARD of ID

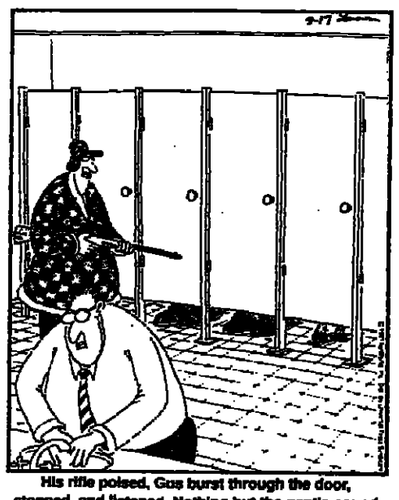


JUMBLE



BEETLE BAILEY

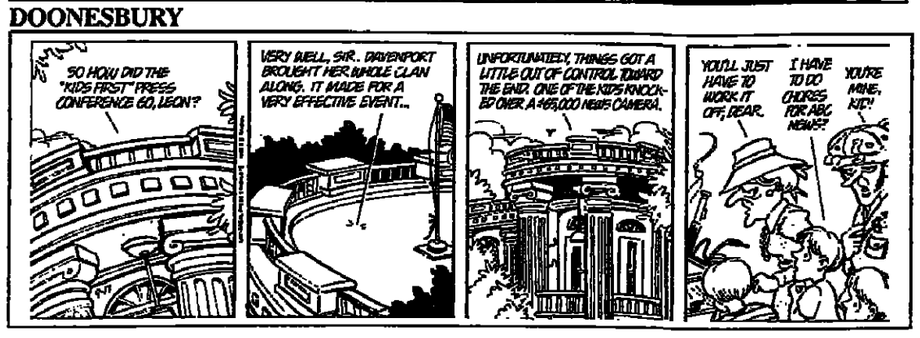
THE FAR SIDE



His rifle poised, Gus burst through the door, stopped, and listened. Nothing but the gentle sound of running water and the rustling of magazines could be heard. The trail, apparently, had been false.

BLONDIE

DOONESBURY



SPORTS

Battle of Britain Smolders On

Reuters

WOBURN, England — Four of golf's journeymen shared the first round lead Friday at the British Masters as Nick Faldo delivered a stinging rebuke to a charge of greed.

Ian Palmer of South Africa, Steve Bowman of the United States and Englishmen Andrew Murray and Martin Gates each shot 5-under-par 67 over the Duke's Course at Woburn and led by a shot over U.S. Open champion Ernie Els and Irishman Philip Walton.

Faldo, back in the pack, was angrier at comments made by compatriot Mark James than he was about his own round of 71.

James had said Thursday that he felt that Faldo and others planned their schedules around appearance money offers and would not play events with no extra financial inducements.

"I don't take kindly to that remark," Faldo said. "I put a fair share back into the game.

"I have lost £300,000 ($470,000) on one venture and I'm committing £3.5 million to another. That's the way I've done it and I intend to continue doing it.

"If we had not had appearance money back in 1980, I would have stayed in America where the prize money was three times what we had here. It's better than that here now, but players still have to be enticed to poorer venues."

Ironically, James's comments came after a misunderstanding of remarks made by Faldo the previous day, when he criticized the state of many European venues but made no mention of inadequate prize money.

Of the four leaders, Palmer survived some indifferent iron shots by putting superbly, holing twice from 30 feet (9 meters) and once from 20 feet for three of his six birdies. He had one bogey, three-putting from 50 feet at the sixth.

Bowman, playing in the second to last group, had a chance to take the outright lead but could only par the long closing hole, taking three from the fringe.

Els achieved his 68 with a help of a new putter — called an Odyssey — that he turned to this week after putting poorly since his U.S. Open triumph in June.

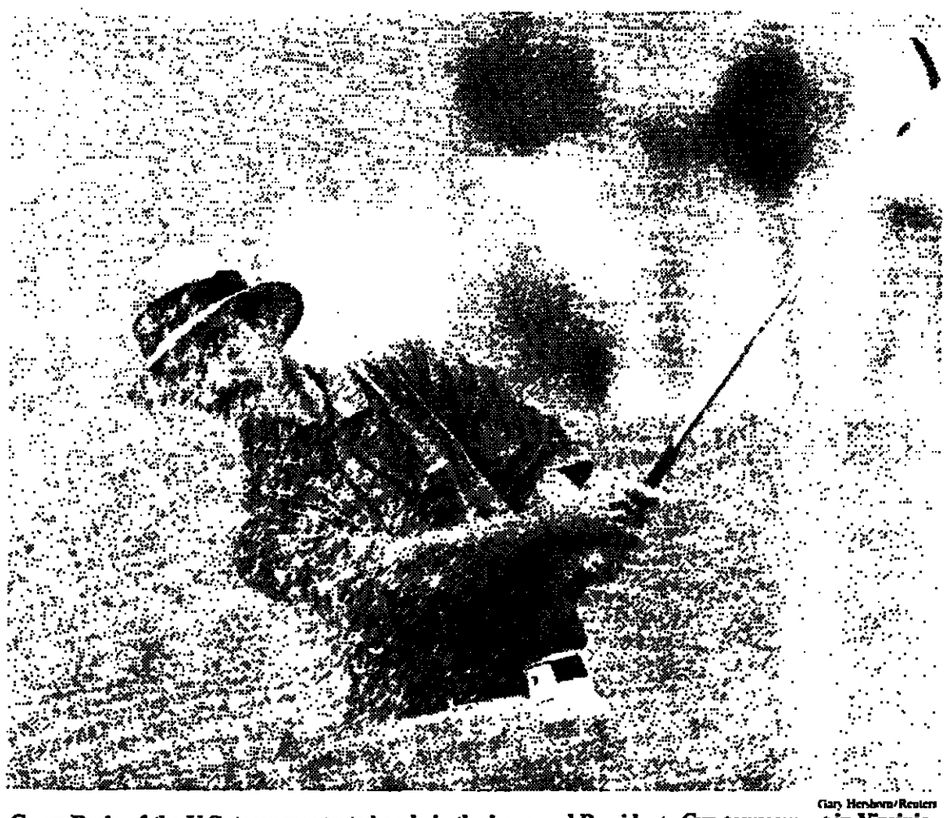
The 24-year-old South African is honoring a long-term commitment to play here despite pleas to turn out for the international team in this week's inaugural Presidents Cup match against the Americans in Virginia.

Seve Ballesteros was in the thick of things at 69.

There was a large group at 70 and an illustrious one of Ryder Cup stalwarts at 71 that included Faldo and James, the U.S. Masters champion José María Olazábal, Ian Woosnam and Bernhard Langer.

Europe's leading money winner, Colin Montgomerie, appeared set to join them until three-putting the 18th for 72.

Rain forced postponement of the first round Thursday. As a result, the third and fourth rounds will be played Sunday.



Gary Hershorn/Reuters

Corey Pavin of the U.S. team was tested early in the inaugural Presidents Cup tournament in Virginia.

SIDELINES

Sweden's Sundin Signs With NHL Maple Leafs

TORONTO (AP) — Mats Sundin, the Swedish center acquired by Toronto in a trade with the Quebec Nordiques, signed a multiyear contract Friday with the Maple Leafs.

Terms were not disclosed, although it was the contract was reported to be worth about $2 million a year.

Sundin, in 1989, became the first European ever selected No. 1 in the NHL entry draft. He has scored 135 goals plus 199 assists for 334 points during his four NHL seasons.

For the Record

Yamaha has signed a new two-year contract to continue supply engines to the Tyrrell Formula One team, the Japanese company said. *(Reuters)*

Canada will play four matches in New Zealand, including one test, during a short tour early next year, the New Zealand Rugby Football Union announced. *(AP)*

Quotable

● President Bill Clinton: "Of all the perks that come along with being the President of the United States, the best one was being able to play 18 holes with Arnold Palmer."

Match-Play Format Is Unmatched For Putting Pressure on the Players

By Larry Dorman
New York Times Service

GAINESVILLE, Virginia — It is medieval jousting without the lances, boxing without the blood and brain damage. It is match play, that taxing, wrenching exercise of golf in which each hole can unfold like a novel, where a player's spirit can be either lifted or broken by what his opponent does or does not do.

The inaugural Presidents Cup matches, having been delayed about two hours by fog, got under way Friday at the Robert Trent Jones Golf Club, with the U.S. team winning all the morning fourball matches, for a 5-0 lead going into the afternoon's alternate-shot foursome matches.

In the morning session, Jay Haas and Scott Hoch defeated Fulton Allem and David Frost, 6 and 5; Corey Pavin and Jeff Maggert defeated Steve Elkington and Vijay Singh, 2 and 1; John Huston and Jim Gallagher defeated Craig Parry and Robert Allenby, 4 and 3; Tom Lehman and Phil Mickleson defeated Frank Nobilo and Peter Senior, 4 and 2; and Fred Couples and Davis Love III defeated Nick Price and Bradley Hughes, 1 up.

That put the pressure on the international team, and, until the final singles match on Sunday, each of the 24 players, 12 on each team, will be living and breathing the tension that comes from the match play format that is so popular with spectators. They no longer are playing for themselves in the most singular of games.

"There is more pressure than you can imagine," said Paul Azinger, a three-time member of the U.S. Ryder Cup team and the co-captain of this U.S. team. "The thing about match play that sets it apart is that the upset is much more likely to happen. That puts pressure on the guy who is expected to win."

"Everybody who talks about the Ryder Cup talks about it being the most pressure they've ever felt in their life playing golf," said Lehman. "I'm sure this will be similar. Nobody wants to lose and have to walk around saying, 'So-and-so beat me, 5 and 4.' It's real personal. I don't want somebody to show me up."

Depending on how the individual player is made up, such an attitude can either help or hurt. Mark Calcavecchia didn't want to get shown up by Colin Montgomerie in the 1991 Ryder Cup matches, either.

Calcavecchia was 5 up with nine holes to play, but started pressing. With his lead down to 2 up at the 17th tee, he hit the shank heard round the world: a 2-iron shot that almost never got airborne before splashing in the lake.

He lost the last two holes, and the match was halved. Calcavecchia dissolved in tears.

Bernhard Langer missed the final putt in that same competition, and has since said that he never experienced pressure close to what he faced on that five-footer.

Had Langer made it the Ryder Cup matches would have wound up in a tie and Europe would have retained the Cup.

In the Presidents Cup, there will be no ties. If the matches end tied on Sunday, two players, designated before the day's play begins, will play sudden death to settle it.

Now that would be some of the most acute and excruciating pressure a golfer could experience.

NHL Sees an Opening In Absence of Baseball

By Joe Lapointe
New York Times Service

NEW YORK — Now that the generals conducting major league baseball's money war have destroyed their village in order to save it, they've left a gaping gash in the U.S. sports landscape that the National Hockey League hopes to fill even as it seeks wider international recognition.

The NHL and the International Ice Hockey Federation have struck a deal intended to forge close ties after years of haggling.

They have agreed to a comprehensive package of steps that will pave the way for regulated player transfers, Olympic participation for NHL players, the setting up of a European Super League and expanded international competitions.

"Our problem has been that we are two organizations trying to run the ice hockey business," Jan-Ake Edvinsson, the federation's general secretary, said Friday in Zurich. "Now we are trying to cooperate more closely. It is an significant step."

In the United States, the NHL, with its expansion to Sun Belt cities, growing television exposure and wave of European talent, now enjoys greater acceptance than ever before.

It wasn't baseball's Barry Bonds, football's Joe Montana or basketball's Charles Barkley seen at the MTV awards last week, chatting up the Rolling Stones backstage and presenting prizes on camera.

It was Mark Messier, captain of the New York Rangers, the only athlete on display during this celebration of pop culture. "Let's Go Rangers!" chanted the rockers in the crowd at Radio City Music Hall.

The sound echoed across Sixth Avenue, to the league's spiffy new headquarters, and down Madison Avenue, where sponsors like Anheuser-Busch can sense a market.

"Hockey, with access to customers aged 21 to 34, is where we want to be," said Tony Ponturo, a vice president of the company.

Steve Solomon, an NHL senior vice president, said Vogue and GQ are planning hockey features, but he wouldn't go so far as to say that baseball's loss could be hockey's gain if the NHL begins its season in October with no competition from the World Series.

"As much as it might give us a short-term benefit, I wish it wasn't the case," Solomon said of the canceled baseball season.

Despite having surged in popularity in the 1990s, the ice game still has a slippery foothold on U.S. soil. And if hockey highlights are to fill sportscasts and printed pages next month, the games must first be played.

That's no sure thing because hockey's labor scenario is chillingly similar to that of baseball's. Hockey's union and teams have been without a collective bargaining agreement for a year. The owners have empowered Commissioner Gary Bettman to order a lockout if no deal is made to "link salaries to revenue."

Bettman, who bargains with a mean edge, has unilaterally slashed the benefits package. Coming after the baseball mess, a work stoppage in hockey would be as productive as spreading big bags of rock salt around the faceoff circles.

"Everyone has to be careful," said Bob Goodenow, executive director of the NHL Players Association. "We've worked so hard to grow the game. We are at a critical moment to maintain the momentum."

When they resume bargaining Friday in New York, the hockey negotiators must avoid the pig-headed behavior of their baseball counterparts, who acted like rivals in a pie-eating contest; neither side was willing to concede defeat until both were too sick to continue.

And hockey must overcome a recent shabby business image that has tainted its major figures on both sides of the table. Bruce McNall, the last chairman of the board, faces jail for his financial dealings. Alan Eagleson, the previous union director, is under indictment for labor racketeering.

But if Bettman and Goodenow can get an honest deal done soon, hockey could easily gain popularity at the expense of baseball.

Some middle-aged fans can remember when college football dwarfed pro football in popularity, when boxing was a bigger deal than tennis, when the National Basketball Association was a barnstormer in honky-tonk towns.

And, 20 years ago, it would have sounded far-fetched to predict that soccer's World Cup would be held successfully in the United States before capacity crowds and television audiences that were more than respectable.

There's No World What? Can They Be Serious?

The Associated Press

LONDON — The world does not care about the World Series.

News that the rest of the 1994 major league baseball season had been called off got a paragraph in the French sports daily L'Equipe and its Italian counterpart, La Gazzetta dello Sport, as well as the Times of London. Some of Japan's dailies carried brief wire stories.

In Zurich, headquarters of soccer's ruling body, FIFA, the possibility of a players' strike disrupting any match, let alone the sport's showpiece, was quickly dismissed.

"This sort of thing would be unthinkable in soccer," said FIFA's spokesman, Guido Tognoni. "It just couldn't happen here. Maybe this shows the difference between a global sport and a one-country sport.

"In soccer there would be so much pressure on players they would always find a way to play. Only something like a major war could stop soccer, not discussions about money," he said. "I guess it proves that business alone doesn't make a sport. It is always unfortunate if you cancel something that is good for the leisure of people."

English soccer came close to a strike in 1992 over the formation of the Premier League.

The players' union, the Professional Footballers' Association, received 90 percent support from its members to take strike action over changes to pension rights, disciplinary tribunals and contracts which clubs tried to make when they formed the Premier League.

But the matter was resolved well before the start of the 1992-93 season.

"It's the ultimate sanction, it wouldn't be done without a lot of soul searching and thought," PFA's deputy chief, Brendan Batson, said. "No one wants to see a strike, it damages the sport. But I can understand the baseball players not being too excited about the prospect of a salary cap."

Such events as the Wimbledon tennis championships and the British Open golf championship, with more than a century of tradition, have so far survived the vast sums of money being demanded by players.

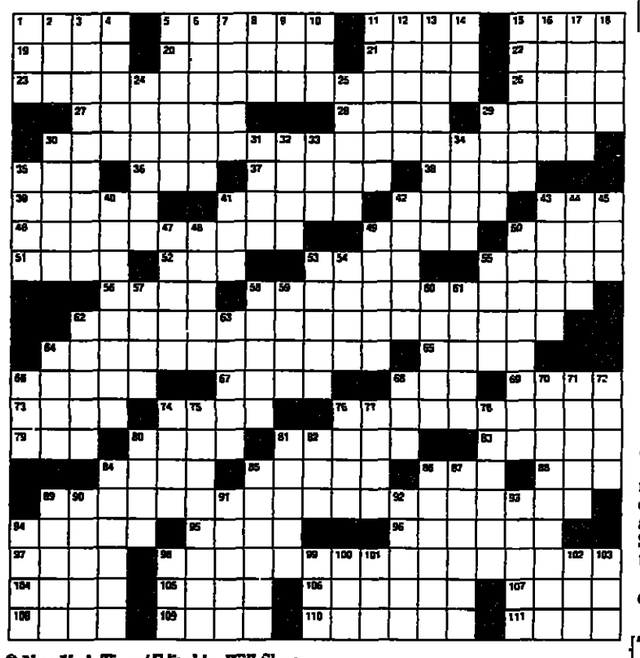
A strike "is unlikely to happen, but if it did we'd have the Open without them," said Michael Bonallach, secretary of the Royal and Ancient Golf Club of St. Andrews, the organizer of the British Open.

But the Open, now 134 years old, has been canceled once outside the war years.

It wasn't played in 1871, when Tom Morris Jr., the champion the previous three years, kept the belt that was awarded to the winner.

Without a trophy to give out, the Open was postponed until 1872, when a mug was put up as the prize. Which Morris won.

REORDERING BOOKS by Merl Reagle



ACROSS
1 Actress Moore
5 Some are giant
11 Physicist Ernst
15 Muddle
19 Little archer
20 "The Night of the ——"
21 Model-filled magazine
22 Pastiche
23 Novel about an aging tennis star?
26 Hockey position
27 Push ahead
28 Follow one's feet
29 Hole worlds to explore
30 Play based on a "Wild Kingdom" episode?
35 Basic question
36 Pulver's rank, in film: Abbr.
37 Overseas stop
38 Scholarship consideration
39 Amber, for one
41 Resigner before Richard
42 Boss
43 Minnesota poet Robert
46 Story of a tough town in Africa?
49 Ring around the castle
50 Gin fruit
51 Weevil, for one
52 Orinoco shocker
53 Grab (onto)
55 One home of 5-Across
56 Night predators
58 Exposé of airline pricing?
62 Chubby Checker's autobiography?
64 Play about a singer's army years?
65 Like Nash's lama
66 Like Seattle
67 Cyan
68 Fatherhood-testing info
69 Small amount
73 Jackie's dresser
74 Wind gust
76 Sequel to "Madame Bovary"?
79 Author Kaufman
80 Proud, energetic, domineering ones, they say
81 Musket's name, often
83 An archangel
84 Arizona city
85 Crème-filled munchies
86 Damage
88 Mr. Turner
89 Trashy best seller?
94 Big Schott
95 Stuff
96 More work
97 Famous words of accusation
98 Fashion book that will make you look like a million bugs?
104 Mighty god
105 Teeny bit
106 Washington airport
107 French theater
108 Faxed
109 Algerian port
110 Agree out of court
111 Jazz singer Anita

DOWN
1 3, on a phone
2 Newsworthy time
3 Way an organism develops
4 Grenoble's river
5 Frisbee forerunner
6 Shoelace tips
7 None: Prefix
8 Equine mother
9 Even the slightest
10 Type of acct.
11 Giant slugger
12 Kareem's God
13 Mozart's "La —— di Tito"
14 John Madden sentence starter
15 Author Fast
16 Piers Paul Read thriller
17 Tendon
18 Sloppy eaters
24 —— studies (college major)
25 Gluck hero
29 One-name star
30 Kind of song or park
31 Scruff
32 Determination
33 Three-time Hart Trophy winner
34 Plane reservation
35 Present coverage
40 Chanting
41 French seasoning
42 Snug
43 Guided only by instruments
44 Like Chandler's "Goodbye"
45 Term of endorsement
47 "Family Matters" actress Hopkins
48 Change to 000
49 Early synthesizers
50 Protector
53 Solemn
54 Director Riefenstahl
55 Cell suffix
57 Not straight
58 Place to play
59 Due process championer, familiarly
60 Air-mass boundary
61 Island veranda
62 One of the Durants
63 Picture poser
64 Seem trivial
66 "Knock over"
68 Letters after Moynihan's name
70 Lysine or tryptophan
71 Ruin, as calligraphy
72 Stoppage
74 Partly
75 Chung or Rather, e.g.
76 It's little matter
77 Space race participant
78 Moon of Jupiter
80 Heartthrob Perry
81 Upset solver?
82 Poet's contraction
84 Healthy lunch
85 "The true measure – — …"
86 Barbie maker
87 Words after "loose as" or "silly as"
89 Shaping tool
90 "Lost" playwright
91 Actress Scacchi
92 Erected
93 70's "in" spot
94 "Miracle" group
98 Monterrey uncle
99 Radical 60's grp.
100 Whom: Fr.
101 Nth: Abbr.
102 —— roll
103 "Brat Farrar" author

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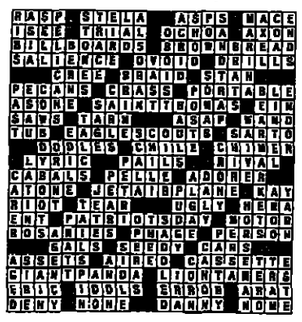
Solution to Puzzle of Sept. 10-11



Germany Has 19 Boats in Rowing Finals

The Associated Press

INDIANAPOLIS — Germany has the most boats in the finals but the United States is favored to win the prestigious men's eight race in the World Rowing Championships at Eagle Creek Park.

"The United States eight has strength, speed, good technique," said Kris Korzeniowski of the Netherlands, a former U.S. coach. "They have a lot of confidence. The way they rowed their heat, it seems they are unstoppable."

Five days of elimination races have whittled entries in 23 events down to the six-boat finals scheduled for Saturday and Sunday. There was no competition on Friday.

Nineteen of the 21 German entries made their way to the "A" finals through the heats, repechages and semifinals. But the team seems a bit of a puzzle.

The U.S. coach, Mike Spracklen, suggested that the world champion German eight was holding back in its heat.

"They weren't trying," Spracklen said. "They didn't want to show their form."

Or maybe they were struggling.

The German coach, Ralf Holtmeyer, said the U.S. boat had surprised his eight at the start of the heat and they never got it together over the course of the 2,000-meter race.

The German oarsmen looked sharper in their repechage, but still lost to Romania in the sprint.

According to Korzeniowski, word among the international coaches is that the German rowing team is vulnerable.

"They are not so brilliant as before," said Korzeniowski, although conceding that the women's eight and single sculler Katrin Boron look solid.

But he said, "They can still prove we are all wrong."

The German team manager, Michael Müller, said that the performances of the lightweight men's double and pair, the men's four without coxswain and the women's eight "were better than expected."

Müller said the German eight "is a gambler team. Like a poker player, you do not show your face. We'll see."

He predicted that his team could win 10 medals. Holtmeyer was more conservative, predicting "five or six."

The Netherlands is also a threat in the men's eight, and Romania, even with half the boat doubling up in other races, is capable of beating the field. The other men's eight finalists are France and Ukraine.

Twelve hundred athletes from 47 countries are competing in the regatta.

Australia came on strong, with 12 boats in the finals. The United States has 10, France has 9, Great Britain, Denmark and the Netherlands have 8 and Canada and Romania have 7.

For the first time in its 100-year rowing history, Japan made a final, with its men's lightweight eight.

(Continued From Page 13)

DAVE BARRY

How to Own a Dog, Practically

MIAMI — Today's topic is: "Practical Dog Ownership." Millions of Americans own dogs, because they are good-natured, simple and easily amused. I am referring here to the Americans. The dogs are not exactly Mensa members either, but they definitely make better pets than tropical fish.

Suppose, for example, that you're home alone, and you start choking on a piece of takeout Chinese food, and you collapse to the floor, dying. A tropical fish is not going to alertly rush over to the phone, knock the receiver off the hook, dial 911 with its nose and bark excitedly into the mouthpiece until the operator sends paramedics. Of course a dog is not going to do this either. A dog is going to wander over and lick the soy sauce off your increasingly blue face. But while it's doing this, it will be thinking loyal thoughts about you.

But before you make "man's best friend" part of your family, you need to know the Three Key Principles of Practical Dog Ownership.

1. REMEMBER YOUR SAFETY PRIORITIES WHEN DRIVING WITH A DOG: Dogs LOVE to go for rides. A dog will happily get into any vehicle going anywhere. It is not mere coincidence that the first animal in space was a dog. It went up in a Soviet satellite that was clearly never going to come back down, but the Soviets didn't have to ask it twice. (The dog, not the satellite.) They just opened the satellite door and the dog bounded enthusiastically inside and blasted into space and spent 189 consecutive hours with its nose pressed against the porthole, barking violently at cosmic rays, until finally the Soviets couldn't stand it any more and turned off the radio receiver.

So your dog will definitely want to go in your car. But you must be careful when driving with a dog. Consider the following true anecdote involving a Southgate, Michigan, woman, whom I will identify here only as Ann because she will probably want to remain anonymous after she kills her husband, Stephen, for writing in to tell me this anecdote.

Ann was driving in her minivan with a schnauzer whom I will identify here only as Bobbie, when Bobbie started to throw up on the passenger seat. Dogs throw up a lot. It's a survival instinct that they inherited from their relatives, wolves, which swallow their prey in the field, then return to the den and regurgitate for their young; this causes the young to be so grossed out that they leave the den and get jobs. (This technique can also be adapted by human parents, according to Dr. Joyce Brothers's best-selling new book, "Ralph on Your Kids.") Anyway, when Bobbie started barfing, Ann wisely took her eyes off the road and reached over to shove Bobbie off the seat. Thanks to Ann's quick thinking, disaster was avoided, except for the fact that her minivan swerved across the road and smashed into a parked car, resulting in more than a thousand dollars worth of damage. But the important thing is that the seat was fine.

"Above all, protect the seat" is the No. 1 rule of driving with a dog.

2. THERE IS A RIGHT WAY AND A WRONG WAY TO BREAK OFF A PIECE OF BISCUIT FOR YOUR DOG: Consider what happened to Richard Dawson of Bordentown, New Jersey, whose story was brought to my attention by alert reader Richard Lipschultz. Dawson was walking his dog, Lou, and decided to give Lou a piece of the large dog biscuit in his (Dawson's) jacket pocket. Rather than go to all the trouble of taking the whole biscuit out, Dawson decide to break off a piece by simply punching the biscuit while it was still in his pocket. The first punch failed to do the job, so Dawson punched the biscuit harder, the result being — in Dawson's own words — "I broke my rib." The lesson here, obviously, is that you need to really whack your biscuit. This is precisely why many experienced dog owners carry hammers.

3. USE GOOD JUDGMENT WHEN DISCIPLINING DOGS: I have here an article, sent in by many readers, from the Jan. 6, 1994, issue of the Rocky Mountain News, headlined "WOMAN ACCIDENTALLY SHOOTS HERSELF," and subheadlined "Owner of 10 dogs nicks finger with handgun she routinely fired at ceiling to stop pets from fighting." The article states that the woman used a .25-caliber handgun to control her dogs; she told police that she fired it into the ceiling when the dogs got into a fight.

As a dog owner and dog lover, I was shocked to learn that in a so-called humane society, a person would even THINK of attempting to control 10 dogs with a gun of such small caliber. Use your heads, dog owners! For five or more dogs, experts recommend at LEAST a .357 magnum, unless the dogs are Labrador retrievers, in which case you need nuclear weapons. In this, as in every other area of dog ownership, the key is plain old "common sense," which is why I want to leave all of you dog owners out there, both novices and veterans, with this thought: "The Biscuit Whackers" would be an excellent name for a band.

Knight-Ridder Newspapers

Nureyev's Islands Off Italy for Sale

Reuters

ROME — Three islands in the Gulf of Salerno, south of Naples, that were owned by Rudolf Nureyev have been put on sale by Christie's, which is asking more than $3 million.

The Li Galli archipelago, off the Amalfi coast, is being sold for the benefit of the dancer's Ballet Promotion Foundations, to which Nureyev left an art collection with an estimated value of $5 million. The largest island, Gallo Lungo, has a lighthouse, a heliport and a Saracen tower that Nureyev restored and fitted with dance studio.

Having Mastered English, Irish Go Gaelic

By James F. Clarity
New York Times Service

DUBLIN — The Irish, who did so well mastering the tongue of their colonial English rulers, have begun to rediscover their own language. Gaelic — or, as it is called here, Irish. It is a development that has not come overnight.

"It is fashionable now to speak Irish," said Dierdre Davitt, the deputy chief executive of Bord na Gaelige, the government agency that is fostering the revival. "It's very far from a dying language."

In the 1300s, the Irish were forbidden to speak their own language in the presence of their English masters. Later, parents urged their children to learn English to survive in an English-run economy.

After Ireland became independent in 1922, the tide started turning and by the 1950s Gaelic had become a required subject in school. But most people were bored by studying Gaelic, which they considered useless commercially and which they associated with rustic poverty. It remained the first language only in a few, mostly coastal, areas.

But now the Irish people, who have produced a large number of English-speaking writers and actors, are moving by the tens of thousands to rediscover their own tongue.

While only 75,000 of the 3.5 million people in this country, and a much smaller percentage of the 1.6 million in the British province of Northern Ireland, speak Gaelic as their first language, the number who are becoming fluent is growing steadily.

More than 100 public schools are conducted entirely in Gaelic, including 11 new ones opening this fall. In other public schools in Ireland, students take about two hours a week of the language and must pass a test for a high-school diploma.

Spoken Irish is becoming trendy among young people. Traditional Irish music groups are gaining new young fans; rock groups — but not including Ireland's most famous, U2 — have also begun to sing the language. Middle-aged adults who hated Irish when they were in school are now taking night classes to catch up with their children.

"When I left school, it was not fashionable to speak it," Davitt said. "Now, 20 years later, my friends regret that they can't."

Jean-Michel Roignant Hoa-Qui

South of Dublin, road signs do the job in English and Gaelic.

Davitt, who is fluent in Gaelic, said the new interest in it had come from young people of the Irish diaspora who have gone to Europe in recent years to study or seek work.

"When they went abroad most students learned that to express their identity the best way was to speak our own language," she said. "Otherwise, we were taken for English. Physically, we could be English — our skin, our hair. The English we speak is not different, to foreigners." The result, she said, was a rush to study Irish.

She said that the government, although strapped by economic recession and unemployment, spends about $45 million a year to promote the use of the language. And a plan is under way for an Irish-language television channel by 1996.

The plan is not without its critics, some of whom have written to newspapers and called in to radio talk shows to say that the money would be better spent on police and roads.

Riobard MacGorain, a founder of Gael Linn, a private organization that runs language classes for adults, said enrollment was up by about 30 percent in recent years and that 20,000 people now study the language in the summer. "The Irish language enshrines our idea of ourselves, our experience," he said.

He noted that in the 19th century, children from Irish-speaking homes were made to wear "tally sticks" around their necks in school, a notch made in the stick for every time the child spoke in Irish that promised a punishment from the teacher at the end of the day.

"Parents would encourage it," he said. "People deserted Irish. The quicker the children learned English the better."

The Gaelic language is of Celtic origin, a member of the Indo-European family. It is a distant relative of English and German, closer to Welsh and Scottish, the Breton tongue of Brittany and the virtually extinct Manx of the Isle of Man.

Gaelic has given English a few good words: *uisce beatha* (water of life) produced "whiskey," *bean si* (a female fairy) made "banshee," and *go leor* (lots of) gave "galore."

Kim Mi Ruairc, an official of Gael Linn, noted that the Irish word *magadh* is pronounced ma-GOO and means "silly," and that her parents used to tell her not to be a "Mr. Magoo," not referring to a cartoon squinter they had never heard of, but perhaps suggesting his origin.

At the Colaiste Raithin (Little Fort College) school in the town of Bray, 10 miles south of Dublin, Irish was in the air as the students returned from a summer where they admittedly had spoken a lot of English.

Teachers greeted them not with "Top o' the mornin' " — which Irish consider an American attempt to be local learned from Barry Fitzgerald movies — but with *Dia daoibh ar maidin*, (DEE-ah khweev air MAH-din) or "God be with you in the morning."

Aisling Ni Ogain, a 15-year-old student whose first name means "poetic vision," said she found her knowledge of Gaelic useful on vacation trips to France and Germany: "You can talk about people and they don't understand what you're saying."

Another student, Hazel Niceoin, agreed, laughing, and added:

"It's our own language. English isn't really our language."

WEATHER

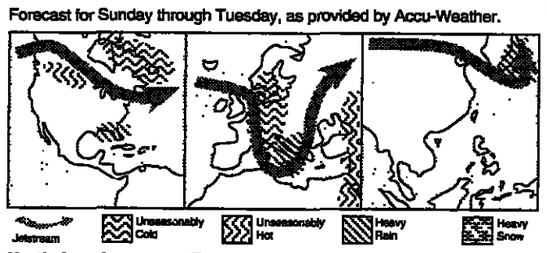
Europe

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Algarve	25/77	17/62	s	25/77	19/66	pc
Amsterdam	15/59	13/55	t	17/62	13/55	c
Ankara	34/93	16/61	s	34/93	17/62	s
Athens	32/89	21/70	s	31/88	21/70	pc
Barcelona	22/71	13/55	pc	21/70	15/59	pc
Belgrade	24/75	11/52	pc	22/71	11/52	pc
Berlin	15/59	9/48	c	18/64	7/44	c
Brussels	13/55	8/46	sh	16/61	9/48	c
Budapest	20/68	9/48	t	19/66	9/48	pc
Copenhagen	16/61	12/53	sh	18/64	8/46	sh
Costa Del Sol	26/79	20/68	s	26/79	21/70	s
Dublin	16/61	4/39	s	17/62	11/52	pc
Edinburgh	14/57	8/46	s	16/61	12/53	pc
Florence	19/66	7/44	s	18/64	8/46	pc
Frankfurt	16/61	8/46	c	19/66	7/44	c
Geneva	13/55	5/41	c	14/57	6/43	sh
Helsinki	13/55	2/48	sh	14/57	7/44	sh
Istanbul	32/89	20/68	s	31/88	19/66	pc
Las Palmas	27/80	19/66	s	26/79	22/71	s
Lisbon	24/75	16/61	s	24/75	16/64	pc
London	14/57	7/44	pc	16/61	10/50	s
Madrid	22/71	7/44	pc	22/71	12/53	s
Milan	18/64	8/46	pc	18/64	9/48	pc
Moscow	23/73	13/55	s	24/75	11/52	pc
Munich	12/53	6/43	sh	15/59	6/43	t
Nice	20/68	9/48	pc	19/66	11/52	pc
Oslo	14/57	8/46	r	16/61	8/46	sh
Paris	21/70	14/57	pc	19/66	16/61	pc
Paris	13/55	7/44	c	16/61	9/48	pc
Prague	14/57	7/44	sh	17/62	7/44	c
Reykjavik	12/53	8/46	pc	12/53	8/46	c
Rome	24/75	8/46	s	19/66	9/48	pc
St. Petersburg	17/62	10/50	sh	17/62	6/43	pc
Stockholm	13/55	8/46	r	14/57	7/44	c
Strasbourg	11/52	5/43	sh	14/57	7/44	c
Tallinn	14/57	8/46	sh	15/59	7/44	sh
Venice	21/70	13/55	pc	21/70	13/55	t
Vienna	14/57	8/46	sh	16/61	8/46	t
Warsaw	16/64	9/48	sh	19/66	6/43	c
Zurich	13/55	7/44	c	16/61	7/44	sh

Oceania

Auckland	14/57	8/46	pc	14/57	8/46	pc
Sydney	22/71	10/50	s	19/66	11/52	s

Forecast for Sunday through Tuesday, as provided by Accu-Weather.



North America
Dry, pleasant weather will be the rule across the middle of the nation Sunday into early next week. A slow-moving storm will bring heavy rains from Florida to southeastern Georgia. Dry, cooler weather will reach Philadelphia and Boston early next week. Southern Canada will be very warm.

Europe
Chilly weather will settle southward from Stockholm through Geneva and Milano Sunday into early next week. A new storm will bring heavy rains from southeast Italy through Bucharest Sunday into Monday. London and Paris will have sunny, pleasant weather Sunday into Monday.

Asia
Shanghai will have dry, warm weather Sunday into early next week. Heavy rains will continue over much of Japan Sunday into early next week. The heaviest rains are likely to shift north and west of Tokyo. Beijing will have dry, cool weather the next several days.

Middle East

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Beirut	31/88	24/75	s	32/89	24/75	s
Cairo	32/89	21/70	s	33/91	21/70	s
Damascus	32/89	17/62	s	33/91	17/62	s
Jerusalem	28/82	19/66	s	29/84	18/64	s
Luxor	37/98	21/70	s	38/100	19/66	s
Riyadh	39/102	25/77	s	39/102	24/75	s

Latin America

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Buenos Aires	19/66	12/53	pc	22/71	13/55	s
Caracas	27/80	20/68	pc	28/82	20/68	pc
Lima	18/64	16/61	pc	19/66	15/59	pc
Mexico City	24/75	14/57	pc	24/75	14/57	pc
Rio de Janeiro	22/71	19/66	c	23/73	18/64	pc
Santiago	22/71	11/52	pc	23/73	11/52	pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by Accu-Weather, Inc. © 1994

Asia

	Today High C/F	Today Low C/F	W	Tomorrow High C/F	Tomorrow Low C/F	W
Bangkok	31/88	24/75	t	31/88	24/75	pc
Beijing	26/79	13/55	s	24/75	12/53	s
Hong Kong	29/84	26/79	sh	31/88	26/79	c
Manila	30/86	23/73	sh	30/86	23/73	t
New Delhi	31/88	26/79	pc	32/89	24/75	pc
Seoul	27/80	17/62	pc	27/80	16/61	pc
Shanghai	26/79	19/66	c	27/80	21/70	pc
Singapore	32/89	25/77	sh	33/91	24/75	pc
Taipei	29/84	21/70	sh	29/84	23/73	pc
Tokyo	29/84	23/73	sh	29/84	23/73	sh

Africa

Algiers	25/77	19/66	s	24/75	18/64	pc
Cape Town	16/61	11/52	pc	19/66	12/53	pc
Casablanca	26/79	17/62	s	26/79	19/66	pc
Harare	20/68	11/52	t	23/73	11/52	pc
Lagos	28/82	24/75	t	29/84	24/75	pc
Nairobi	23/73	8/46	pc	24/75	11/52	pc
Tunis	28/82	18/64	pc	26/79	14/57	s

North America

Anchorage	13/55	4/39	sh	12/53	3/37	pc
Atlanta	28/82	19/66	t	27/80	18/64	sh
Boston	29/84	17/62	t	22/71	8/46	pc
Chicago	22/71	11/52	pc	22/71	11/52	s
Denver	23/73	9/48	s	26/77	8/46	s
Detroit	23/73	11/52	pc	19/66	12/53	s
Honolulu	29/84	23/73	c	31/88	24/75	s
Houston	31/88	17/62	t	29/84	16/61	pc
Los Angeles	32/89	19/66	s	31/88	19/66	s
Miami	32/89	26/79	s	32/89	24/75	pc
Minneapolis	22/71	10/50	s	22/71	11/52	s
Montreal	21/70	8/46	sh	19/66	8/46	pc
Nassau	32/89	24/75	pc	32/89	24/75	t
New York	31/88	18/64	t	24/75	14/57	pc
Phoenix	38/102	23/73	s	37/98	25/77	s
San Fran.	27/80	14/57	s	24/75	13/55	pc
Seattle	24/75	13/55	pc	24/75	12/53	pc
Toronto	22/71	10/50	pc	21/70	10/50	pc
Washington	31/88	19/66	sh	27/80	18/61	pc

PEOPLE

THE pop star **Michael Jackson** doesn't have to respond to a civil lawsuit filed against him by five former security guards, a Los Angeles judge has ruled. Compelling him to respond would "burden Jackson's constitutional rights" as long as he remains under investigation for child molestation, said Superior Court **Judge Richard Neal**. Jackson has been under investigation since last year. He has denied the molestation allegations and has never been charged. The guards filed suit last year, claiming that they were fired by Jackson to taint their credibility should they be subpoenaed to testify against him.

□

Tupac Shakur pleaded guilty to a misdemeanor assault charge for trying to hit a fellow rapper with a baseball bat at a concert. The incident in April 1993 at Michigan State University triggered a near-riot. Shakur threw a microphone that belonged to another rapper on the stage, triggering a fight.

□

The Russian cellist **Mstislav Rostropovich** has released a 1974 letter denouncing him and his wife, **Galina Vishnevskaya**, to the KGB, from the widow of the French painter **Fernand Léger**. In the letter to one of the KGB bosses of the time, she calls the couple "filthy pigs." Rostropovich told the French newspaper Le Figaro that he obtained the letter from KGB archives after they were opened up with the collapse of the Soviet Union. In the letter, the late **Nadia Petrovna Léger**, who was of Russian origin, says, "I consider that Rostropovich and his wife should be asked to stay in the West, because they are incapable of gratitude to the Soviet Union which gave them their training and made them into celebrities."

Pierre Vozlinsky

Mstislav Rostropovich

□

Athina Onassis-Roussel, the sole heir to the enormous Onassis family fortune, is in Greece for the first time since her mother, **Christina Onassis**, died at age 37 in 1988. The 9-year-old Athina is staying with her father, the industrialist **Thierry Roussel**, on the private family island of Skorpios.

□

Bobcat Goldthwait's no-contest plea for setting fire to "The Tonight Show" set is now official, and he has handed over TV spots he was ordered to make on behalf of a burn center. The comedian also must pay almost $4,000 in fines and restitution, including $698 to NBC for damage to the chair he set on fire with lighter fluid. **Jay Leno**, the host of the talk show, and **Lauren Hutton**, a guest, doused the fire with cups of water.